VBDO Responsible Supply Chain Benchmark 2011

- a comparative investigation into CSR in the supply chain of 40 multinationals -

Stefan Janssen MSc
Robert Zwiers MSc
Amara Goeree BSc

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Vereniging van Beleggers voor Duurzame Ontwikkeling
(Association of Investors for Sustainable Development)

Pieterstraat 11
3512 JT Utrecht

(t) +31 (0) 30 234 0031
info@vbdo.nl
www.vbdo.nl
www.duurzaamaandeel.nl

FOREWORD VBDO

When engaging with companies, the following questions often pop up. “Why should we make our processes more sustainable?” “How can a company address international issues?” “What does the concept of human rights exactly imply, notably from our Western perspective?” “How can we find the solutions to make our products ready to deal with future challenges *and* give our company a competitive edge?”

Supply chain management has the answer to all of these questions. It is the driver for many companies to start with CSR. Especially when large corporate customers ask to implement the requirements of their Code of Conduct. It is a crucial tool to improve sustainable behaviour, amongst other in the area of human rights, with suppliers from all around the world. When supply chain partners work together to find solutions to cope with raw materials shortage, energy efficiency, and emissions, supply chain management is one of the most powerful ways to boost innovation.

This is the VBDO’s sixth report on Supply Chain Management across publicly listed Dutch companies. It is one of the few reports that has an integral supply chain perspective, across all products and services, from raw material to waste, from supplier to end user, including all ESG criteria. In these six years we have seen great changes. The frontrunners remained frontrunners over these six years, but this year we *finally* see the main group in motion, having improved their policy and practice. I congratulate Philips with their first place in our benchmark, and BAM and Wavin with their special achievements.

During *supplier* (stakeholder) *dialogues*, I noticed that cooperation with suppliers is often quite limited. Even with companies (or governments) that specifically take CSR indicators in account when selecting suppliers, the lowest price usually prevails. Suppliers are thus often not directly rewarded for their (sustainable) innovations. Moreover, companies potentially miss out on great opportunities to improve their innovativeness and competitive position. Perhaps we need to find different ways to select and reward our suppliers, improving cooperation that will benefit both parties.

This benchmark would not have been possible without the support of ICCO, and I thank them for their contribution.

Finally I would like to thank the jury that selected the winner of the VBDO Supply Chain Award 2011 (at this time still unknown). Jan van der Kolk, Willem Lageweg, Jan Roodenburg and Herman Mulder: thank you for your sharing your expertise!

Giuseppe van der Helm
Executive Director VBDO

EXECUTIVE SUMMARY

In the fall of 2011, the Dutch Association of Investors for Sustainable Development (VBDO) carried out the Responsible Supply Chain Management Benchmark for the sixth time. This report is based on the results of that comparative investigation.

This benchmark was first developed by the VBDO in 2006 in order to assess the way in which Dutch publicly listed companies involved suppliers in their sustainability policies. Although this is still the core of this benchmark, the methodology and focus have been expanded in 2008 and 2010 - and will be extended again in 2012. This benchmark receives an increasing amount of attention and the scores keep on improving – inducing the enhancement of the methodology simultaneously.

Rather than concentrate on the nature of a company's activities, this benchmark focuses on responsible supply chain policy and the implementation and management thereof. This makes it possible, to a certain degree, to compare companies across different sectors.

The benchmark currently consists of a list of 28 indicators, in which companies can accumulate anywhere between 0 and 59 points. By transforming this score into a percentage score, the score can be compared to scores ranging back to 2006. In conducting the research, VBDO has made use of information that was made public by the companies themselves. This information is predominantly extracted from sustainability reports, annual reports and company websites.

The investigated group of companies comprises 40 of the largest Dutch publicly listed companies whose procurement of goods and services constitutes a significant proportion of their operational expenditure. Service-oriented companies, such as financial institutions, and recruitment companies are not included in the research.

Traditionally, an independent jury chooses a final winner of the VBDO Responsible Supply Chain Management Award, based upon this benchmark report. The winner, therefore, is not necessarily the company with the highest score. In the research, a group of seven companies distinguished themselves from the other companies. Unlike last year, they are not the top 7, but the top 5 ranked plus 2 'special achievements'. The nominees in alphabetical order for the year 2011 are:

Top 5:

- AkzoNobel
- (Royal) DSM
- (Royal) Philips
- Reed Elsevier
- Unilever

Special achievements:

- (Royal) BAM Group
- Wavin

The winner is announced on December 14th 2011, at an event hosted by VBDO and KPMG. Records including previous years and the jury reports are kept at http://www.vbdo.nl/nl/research/duurzaam-ondernemen.

The average total score in this year's benchmark is 25/59 points, or 43%. This score is up from 20/57 or 35% in 2010. The significantly higher score is at least partly explained by several explanations and elaborations from experts and managers this year at AGM's and forums. Where the previous editions of this benchmark showed frontrunners that were miles ahead, this year, a substantial number of companies halfway up the ranking made a leap forward. We perceive that as a clear sign that the awareness of the importance and benefits of responsible supply chain management grows across the board. One of the main reasons why the scores improved is that the transparency of reporting on responsible supply chain management and activities has improved for most companies. Some companies, however, have changed their level of reporting and therefore have received lower scores. Even though performance keeps improving, many companies still need to take further steps, as indicated by the overall percentage scores. Hence, companies can also *use* this benchmark as a reference for best practices. To provide a push in the right direction, the VBDO introduces international best practices in this report and published a best practices guide in cooperation with KPMG Sustainability.

Especially the construction sector has made disproportional progress over the past years (2006-2011). This is one of the most remarkable outcomes of this year's Responsible Supply Chain Management Benchmark. Especially BAM Group and Wavin have made extraordinary progress and a leap into the top 10 achievers – among globally established CSR leaders such as Philips, DSM, Reed Elsevier, Unilever and AkzoNobel. These five have changed places since 2006 but seem to remain (globally among) the best in class in their sectors. Philips' performance remains unrivalled among the Dutch publicly listed companies in this benchmark – but compared to Hewlett-Packard's international best practices, and as could be expected, even Philips can still improve the sustainability of its supply chain.

The progress of the construction sector is especially welcomed since this sector is not historically among the best achievers in the field of responsible supply chain management. And even though this benchmark has been updated methodologically, five (mainly) construction companies have managed to swim upstream, overtaking many companies from other sectors. The content of this claim is that higher standards improve up- as well as downstream supply chains by means of transparency, cooperation and innovation. The remarkable progress of CSR in this sector seems to great extent caused by emission control (especially CO2). The use of the 'CO2-performance ladder' (ProRail, applied since 2009) has added value to CO2-reduction strategy.

But, even among the 33 other companies, so far unnamed, significant progress was noted from the top to the bottom of the list. Average scores rose significantly especially in the middle segment. And also from 2010 to 2011, much progress was made in the field of policy (supplier codes – i.e. human rights policy, non compliance, verification and indirect suppliers) and management (verification). Hence it is safe to say that many companies are in the implementation phase of responsible supply chain management. The VBDO therefore concludes that sustainability and CSR are integral parts of company policy *and* strategy, including supply chain management, in the sense that they are more and more recognized to add value to core business.

There is, however, immense room for improvement for practically all of the companies. With best performers scoring over 80%, and average scores around 43%, low performers have yet to discover the value-adding improvements that the best performers have reaped. These improvements entail management tools, policy and strategic choices and more. The best practices guide by KPMG and the VBDO, available at the Award event to this benchmark and uploaded to www.vbdo.nl, will deal with this subject more comprehensively. Notably, human rights, accountability for indirect suppliers, non compliance policy and identification of critical or high-risk suppliers, are among the key issues in (responsible) supply chain management.

Implementation is especially a challenge to, in particular, the industrial and the mining sector. Communication is often ahead of strategy and implementation, which therefore in some cases entails a bit of 'greenwashing'. However, the opposite also applies; performances and initiatives relevant to this benchmark are not always fully communicated by companies. This explains some rapid progress as well as some stagnation. For a more comprehensive analysis of 6 years of responsible supply chain management, we invite you to read this report.

The VBDO will continue to emphasize responsible supply chain management during engagement activities with all the companies included, among others by means of http://duurzaamaandeel.nl/. This website aims to inform the general public and investors in particular, through stakeholder involvement.

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1. INTRODUCTION

1.1. Mission and vision of the VBDO

It is the VBDO's vision to contribute to sustainable development by engaging with the capital market to become more transparent and socially responsible – and hence more sustainable. To this aim, the VBDO has *initiated* and *opinionated* by means of research and engagement activities. In our view, this means that all actors (stakeholders) integrate financial and non-financial aspects into their decision-making processes. We indicate what desirable and undesirable developments are, and focus on activities that challenge actors in the capital market to develop new sustainable initiatives. On the one hand we focus on activities that challenge actors in the capital market to develop new sustainable initiatives. On the other hand, we indicate what desirable and undesirable developments are, referring to corporate social responsibility (CSR) and responsible investment.

One of our most important activities to realise our vision, is to represent investors, especially when it comes to publicly listed companies. By representing both institutional as private (long term) responsible investors, the VBDO aims to trigger companies to align their strategies with common visions of sustainable development. The central and crucial tool used hereto is stakeholder engagement. This implies amongst other, asking constructively critical questions at Annual General Meetings of Shareholders of listed companies. At these AGMs, we ask Boards of Directors and Supervisors directly to take responsibility for their policies and actions. These and other engagement activities are based, among other things, on different research reports produced by the VBDO. These research reports are prepared for and in cooperation with different organisations (i.e. NGOs, governments, consultancies, financial institutions) and are aimed both at the capital market's *demand* side (listed companies) as well as on the *supply* side (investors) of the capital market. On top of that, the VBDO organizes various seminars on sustainable investment and corporate social responsibility.

1.2. Vision on Corporate Responsibility

According to the VBDO, companies *uphold* a *license to operate* for their capacity *to create value* for their *stakeholders*.

Creating value can have different meanings to each stakeholder. To an employee for instance, value represents good primary and secondary elements of remuneration, job fulfilment, or 'simply' universal *human rights*. To a shareholder it usually implies a solid return on investment. To local society surrounding a factory, environmental impunity usually represents considerable value *sooner and/or later*.

It is the VBDO's conviction that a company's owners, its shareholder(s), will obtain the best long-term return on investment when a company focuses its strategy at the long-term creation of value for its stakeholders. Or, to quote the report 'From Challenge to Opportunity' from the World Business Council for Sustainable Development (WBCSD): 'We see shareholder value as a measure of how successfully we deliver value to society, rather than as an end in itself'. Making a profit is a result of good company policy, not a sole objective in and of itself.

This notion *seems* obvious. Still, the VBDO regards the focus mainly on the financial economic dimension as one of, if not *the,* primary problem(s) with which the present worldwide economy is faced. This focus is strongly coupled with the current financial institutions. The mainstream financial sector still discards this notion, thereby denouncing ('real') value creation and environmental and socio-economic capital. With many others, the VBDO is convinced that these aspects, *especially* from a business point of view, should be considered in investment decisions.

The VBDO considers it its task to continuously put this issue on corporate, political, investors' and general audience's agendas. Subsequently, companies should be transparent in demonstrating their *multi-dimensional* (CSR) strategy. Moreover, strategy should be *optimally* aligned with the interests of all company stakeholders. Those companies that best succeed in achieving this will continue to prosper in the longer run – since the whole supply chain is able to perform highly competitive relative to its peers. Obviously, transparency and CSR are certainly not the only preconditions for responsible investors, but certainly highly important ones in the longer and medium, and sometimes even in the short term.

Corporate Responsibility is seen by many as primarily focused on risk and reputation management; in other words, as preventing loss of value-added. Although this approach towards sustainability is and remains important, it is rather distantly connected to companies' real reason of existence, which is the creation of value. The perspective of sustainability as a risk and reputation management instrument can even be regarded as the primary reason for the misconception that sustainability and profit have difficulty to go hand in hand. This approach considers sustainability as an additional element to the operational processes, rather than an integral and interdependent part of the whole. Actually, more and more companies realise that the integration of sustainability into strategic decision-making and operational processes is a prerequisite for the long-term creation of value.

1.3. Vision on Responsible Supply Chain Management

If one were to raise the question within a company as to what 'Responsible' Supply Chain Management' actually involves, the answer would no doubt lean towards preventing or minimizing risks. Besides risks, issues such as optimum efficiency and minimizing costs for the sake of the long-term increase in cash flow might be mentioned. There seems, in other words, to be a missing aspect in the concept of 'responsible supply chain management'.

This aspect is the difference between *feeling* responsible and *being* responsible. There are, however, certain limitations to responsibility. It is subject to (international) normative standards, limited to a legal entity or person and its power to influence. Standards provide the (lower) limit of what is considered to be 'responsible'. This minimum standard is of considerable importance, because it provides a framework of consensus within which there is room for companies to act and operate. It does, however, remain a minimum standard.

The inflexible nature of a normative framework has its limitations when it comes to responsible supply chain management. From a legal perspective it is very difficult, if not impossible, to appeal to a company's responsibility for anything that lies beyond its *own actions*. Any attempt by another party to do so is in fact *currently* an appeal to a company's moral involvement. The main reason why companies embrace responsible supply chain management nonetheless has everything to do with risk and reputation, which is again related to the prevention of the loss of value or continuity and therefore is not only of moral but also of business interest.

A normative framework is crucial, but it also has its limitations. A normative framework is inflexible, provides a minimum standard and is restricted to a legal entity or person. It has limited use for external parties to request companies to change behaviour. It also has a very limited potential in managing supply chains responsibly.

The benchmark methodology incorporates a common denominator for a company and its stakeholders: the previously mentioned value creation. This includes both value creation and the prevention of value destruction.

In the past years, more stakeholders have started to question the execution of (ir-) responsible supply chain management policies. Incidents keep occurring where policies and actions are not aligned. Therefore VBDO continues to expand its focus and tools to also include impact indicators. Responsible supply chain management is not just about implementing policies but also aligning actions with the policies.

1.4. Key theme: Human Rights - "Protect, Respect and Remedy"

Businesses have the potential to adversely affect human rights—both directly and through ties to third parties that are violating human rights. For instance, businesses may affect rights through labour exploitation, discriminatory hiring practices, environmental pollution or the forced eviction of communities from their lands.

Some of the companies in this benchmark operate in some of the toughest territory in the world, in places where the involvement in natural wealth and local communities regularly results in structural malpractice and bitter conflict. The *other* companies mostly deal with these types of challenges indirectly, having suppliers that are in this position. Supply chain responsibility implies having policy in place to not only effectively and correctly deal with issues in one's own operations, but to make sure the whole supply chain makes (the) right decisions. This subject is part of the current benchmark criteria – but probably less than in the next benchmark, in 2012.

"Protect, Respect and Remedy"
In one of the most material themes of supply chain management, human rights, the global framework for corporate practice seems to be in motion. Assessment of human rights impact is winning ground in corporate policies – as will become clear also from this benchmark. This is particularly so in sectors that are highly physically invasive, such as the extractive industries. Investors, governments and clients (including consumers) are demanding corporate (social) responsibility. Practically, this implies taking care that suppliers follow the recommendations of the OECD. These OECD

Guidelines for Multinational Enterprises have been updated with a new human rights chapter, which is consistent with the Guiding Principles on Business and Human Rights. In these principles the Framework “Protect, Respect and Remedy” is introduced.

Few governments currently require any assessment of the human rights impacts of projects. States’ duty to protect human rights is captured under a multitude of treaties. These include the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention on the Elimination of All Forms of Racial Discrimination (CERD), the Indigenous and Tribal Populations Convention (Convention No. 107) of the International Labour Organisation (ILO) and the UN Declaration on the Rights of Indigenous Peoples (2007).

Governments’ failings to protect human rights against non-state actors such as companies, amount to a violation of international law. However, government failures to protect rights do not absolve non-state actors from responsibility for their actions.

The UN Special Representative of the Secretary-General on the issue of human rights and the corporate sector, professor John Ruggie, put forward in his 2011 report to the Human Rights Council, that business enterprises should carry out ‘human rights due diligence’ to deal with potential human rights conflicts. The process should range from *assessing actual and potential* human rights impacts (e.g. by means of a stakeholder dialogue), integrating and *acting* upon the findings, *tracking responses*, and *communicating* how impacts are addressed. Currently, parts of these types of activities are performed by interest groups such as Amnesty international, Friends of the Earth, SOMO and even for some parts, by the VBDO. Ruggie’s operationalization of the Respect, Protect and Remedy Framework, the Guiding Principles, imply (among other) the following.

Access to Effective Remedy

How should a company seek to redress its adverse (human rights) impacts? What kind of a due diligence and what kind of a grievance institute would be acceptable for business and people? Practically the updated OECD Guidelines mean that companies should identify their potential and factual impact, take measures to mitigate risks and remedy negative impact. This should be part of a comprehensive practice including a monitoring system, and, very important, communicating mitigating measures and remedial action to negative impacts. Additionally, companies should choose a grievance or accountability mechanism (i.e. judicial, non-judicial, national or specific) For signatories to the OECD Guidelines, these are the National Contact Points (NCP). Another example of a grievance authority is the Compliance Advisor Ombudsman for the International Finance Corporation.

In an extreme case, this might imply that corporations will have to prove their correct behaviour in case of incidents, rather than individuals and interest groups having to prove corporate irresponsibility (-What has the company done to prevent or resolve malpractice?-). This suggests a system that might also even apply for pollution and corruption in the same way. However, the extent of corporations’ (social) supply chain responsibility is yet untouched and hence still as it was. Hence, the implications of the ‘Guiding Principles’ will still require time (and case build-up) to be operationalized.

Risk Assessment
The ability to assess risks accurately, is critical to the security of personnel, local communities and assets; the success of the Company's short and long-term operations; and to the promotion and protection of human rights. In some circumstances, this is relatively simple; in others, it is important to obtain extensive background information from different sources; monitoring and adapting to changing, complex political, economic, law enforcement, military and social situations; and maintaining productive relations with local communities and government officials[1].

The quality of complicated risk assessments is largely dependent on the assembling of regularly updated, credible information from a broad range of perspectives — local and national governments, security firms, other companies, home governments, multilateral institutions, and civil society knowledgeable about local conditions. This information may be most effective when shared to the fullest extent possible (bearing in mind confidentiality considerations[2].

Interdependence
Although governments have the primary role of maintaining law and order, security and respect for human rights, companies have an interest in ensuring that actions taken by governments, particularly the actions of public security providers are consistent with the protection and promotion of human rights. In cases where there is a need to supplement security provided by host governments, companies may be required or expected to contribute to, or otherwise reimburse, the costs of protecting Company facilities and personnel borne by public security.

The Human Rights Compliance Assessment Tool (HRCA) developed by the Danish Institute for Human Rights and the Conflict Analysis Tool developed by Fund for Peace were also both identified as tools used during the risk assessment process by a number of companies.

'Ruggie practice'
Among the current signatories of the Voluntary Principles, including (Royal Dutch) Shell, almost all companies reported that they have a process in place for anonymously reporting human rights abuses and "whistle-blower" protection. Many other companies have reported that development of such processes is currently underway. Most companies have claimed the Voluntary Principles have reduced their risk to some degree in terms of reputation, legal liability, access to capital, social license and other factors.

A number of signatories to the VP have incorporated the Voluntary Principles into management frameworks. Some have already made great strides in working toward this goal: A significant number of companies have already incorporated the Voluntary Principles into internal auditing systems[3].

1 United Nations November 2011: http://www.voluntaryprinciples.org/principles/risk_assessment
2 Ibid.
3 United Nations December 2011: http://www.voluntaryprinciples.org/files/vp_company_efforts.pdf

Finally - without operationalization of these new insights, but a benchmark to be updated with 'human rights' – this implies that criteria can and will be developed, to benchmark this promising progress. The following is a rough non-exhaustive shortlist of possible criteria on the basis of the foregoing literature search.

Possible criteria for a 'human rights' part of the Responsible Supply Chain Benchmark, (next to incorporation in vision and governance):

- Policy
  - Does the company have policy in place, including choice of due diligence, whistle blower, grievance mechanism, contractual agreements with local police, and extent of implications (judicial or not, etc.)?
  - Have the Guiding Principles been incorporated in all private security contracts, project legal frameworks with governments and standard company risk assessments?
- Management
  - Has due diligence been performed? Due diligence conform Ruggie comprises 4 elements: Risk assessment, a remediation process, monitoring and reporting, and lastly, public communication and accountability. All four are crucial for systematic integration of human rights into corporate policy frameworks.
  - Has a risk assessment been performed?
  - Are NGOs and/or other third parties engaged in the due diligence and risk assessment?
  - Is the company performing an on-going stakeholder dialogue?
    Does the company act upon the findings of its human rights monitoring? There are several practical problems with social audits. Especially in following up on audits, it is not self-evident, that suppliers are involved and that improvements actually take place. An improvement or educational programme (local training) is one of the measures that could be applied.
  - Does the company track responses to its grievance mechanism?
  - Does the company communicate how impacts are addressed?
  - Are the Principles repeatedly emphasized and is awareness continually raised among company employees and internal and external security staff by integrating the Voluntary Principles into orientations, trainings and evaluation processes?
  - Is the company involved in cooperative initiatives to achieve social compliance within its sector?

Lastly, to close the start of human rights benchmarking in 2011 – some best practices are provided by the UN[4]:

• Voluntary Principles are incorporated in all private security contracts, project legal frameworks with governments and standard company risk assessments.

• The Principles are incorporated into Social Impact Assessments so that approval by government authorities means commitment to implementation and on-going engagement.

[4] Ibid.

• The Principles are repeatedly emphasized and awareness should be continually raised among company employees and internal and external security staff by integrating the Voluntary Principles into orientations, trainings and evaluation processes.
• Engage in human rights and humanitarian law training with state forces through a third party, and in as transparent a manner as possible.
• Establish an anonymous “whistle blower” process for capturing concerns and grievances and internal guidelines for addressing alleged human rights abuses and sharing incident reviews with NGOs.
• Share best practices on implementation across the company and with peers.
• NGOs and/or other third parties are engaged in reviewing security arrangements and other human-rights-related conditions.
• Include the Principles in government agreements and in contractual agreements with local police.
• Begin the process of internal engagement at a high level within the company and secure buy-in from senior executives before engaging broadly across departments

1.5. Key theme: Scarcity and volatility of commodity markets

Considering current global trends, such as a growing population and subsequent demand for a multitude of commodities, it goes without saying that commodity procurement will become more difficult and faces increasing risk. Responsible supply chain management remains, for a large part, a way to manage this risk. It deals with ways to ensure stability of supply, quality and price in a world where scarcity and volatility are mechanisms of the commodity trade.

It is increasingly clear that, for various markets, the supply of essential commodities is finite. Certain companies are aware of the business risk of unsustainable procurement and realize that this is not a problem of the future, but of today. Unilever is a leading example for having expressed the ambition of sourcing (agricultural raw materials) 100% sustainably by the year 2020. Halving of its footprint while increasing its sales volume, are some of the metrics the company will be accountable for. Unilever’s sourcing of commodities has a direct impact on the livelihoods of people along the entire chain. The implications of a far-reaching sense of responsibility have been proclaimed in Unilever’s Sustainable Living Plan (November 2010). Another example is the ICT sector, which depends heavily on rare and finite minerals, often obtained from conflict zones. Sustainable procurement does not only involve the selection of suppliers: to distinguish themselves at product level, companies also need to obtain in-depth knowledge of what makes certain commodities *sustainable*, or not. The use of labels, for example in sustainable wood, paper or marine products, is a potential solution. These are, however, not always available – especially in business-to-business markets. Strong, mature and responsible relationships with supply chain partners are therefore a vital part of business continuity. Resource scarcity, similar to human rights, has only limited ground in the current benchmark – and is hence a focus topic in this year’s qualitative analysis.

More on the business risk of scarcity and how responsible supply chain management provides a solid solution can be found in our recently published best practices guide, developed in cooperation with industry leaders and KPMG Sustainability. The VBDO is currently involved in a research project on the ethics of institutional investment in food commodities, which is scheduled for publication in the beginning of 2012.

2. METHOD

2.1. The benchmark methodology

Benchmarks have been used by the VBDO for years, aiming to evaluate the performance of companies and investors. Examples are the Transparency Benchmark and the Pension Fund Benchmark. The Transparency Benchmark clearly had a stimulating effect for many years now. Both the quantity and quality of sustainability reports increased considerably as a result. Companies and (institutional) investors often acknowledge the VBDO's influence on this development.

In 2005, the VBDO decided to include responsible supply chain management as a focal area in its core activities. By addressing the topic using a benchmark and actively promoting it in the media, the VBDO expects responsible supply chain management to increasingly get the attention it deserves.

The first Responsible Supply Chain Management Benchmark was developed in order to gain insight into the (potential) consequences of production shifting to emerging markets. The financial advantages of shifting production activities to emerging markets are obvious. The socio-economic and environmental disadvantages, however, were less obvious and often simply taken for granted. The first benchmark methodology therefore demonstrated the pitfalls and challenges facing companies purchasing raw materials and products from these countries. Examples are the potential violation of employment standards by suppliers and the ensuing environmental risks.

The original benchmark focused on company responsibility. The methodology was assessed and adjusted in 2008 and 2010 and will be enhanced again in 2012 – starting discussion about the adjustments from the moment of publication of this report (!). The 'new' benchmark of 2008 took responsibilities and transferred them to a framework of risk and reputation management, or in other words, the prevention of loss of value. Preventing the loss of value remains an important aspect of responsible supply chain management. That is why the original method has been incorporated in the new methodology, with some minor adjustments to the indicators.

The other aspect is the creation of value. For the VBDO, the creation of value comes much closer to the definition of what a company is: a legal entity geared towards creating value for its stakeholders. Approaching responsible supply chain management as a means to create value simplified the possibility to expand the methodology in 2008 in two ways. Firstly, adding the creation of value has led to being able to chart the opportunities of responsible supply chain management. Secondly, this approach has made it possible for downstream activities to be benchmarked as well, since the restrictions of responsibility do not apply when supply chain management is perceived as an opportunity. This does not mean, however, that responsibility is left out of the equation. Both elements are complementary and essential.

The VBDO bases the Responsible Supply Chain Benchmark on international standards and consulted a number of experts in the field during the drafting process. When adjusting the methodology, the same sources were used to guide the process.

In 2010, the criteria changed again, focusing more on the impact of responsible supply chain management. This change was made to further deepen the attention to responsible supply chain management. Moreover, the change makes the Responsible Supply Chain Benchmark complementary to the Transparency Benchmark, which was also changed in 2010 and now includes a number of supply chain indicators. Since the results of the Transparency Benchmark will be made publicly available in the beginning of 2011, stakeholders will have access to all relevant information of companies. Practically, this means that indicators focusing on overall CSR transparency have been awarded fewer points. Because a responsible supply chain policy needs to be built upon a strong internal CSR policy, we did not omit these criteria from the benchmark. In addition, criteria were added in the policy and management sections to gain insight into the impact of responsible supply chain management.

For 2011, criteria 2 and 4 have been slightly altered in order to, firstly, emphasize responsible supply chain vision and recognition of opportunities in this area (one extra point). Secondly, an extra point is awarded to companies that show integration of supply chain responsibility with overall company strategy.

This benchmark study has resulted in a company as well as a sector ranking, showing frontrunners and laggards, including a historical perspective ranging back to the first year the benchmark was conducted (2006). The list, figures, explanatory profiles and company dialogues are some of this project's very significant results. This benchmark has proven to be a tool of engagement. This means that the VBDO uses the results to systematically engage companies and emphasize their duty in terms of Corporate Responsibility within the supply chain. The companies are given the opportunity to review the draft scores and profiles before publishing. The Award event, which is traditionally part of this project, adds another interactive, objective contextual and informative public aspect to the theme of responsible supply chain management. Moreover, institutional investors can use the ranking to determine which companies can be seen as a more sustainable investment.

2.2. Basic principles and demarcation

2.2.1. Basic principles

The basic principles of the benchmark are:

- It has to be simple and practical. This provides companies with quick and easy insight into their own performance and that of best practices, its sector, colleagues or competitors, as well as business strategy in general;
- It has a top-down approach. This is in accordance with the GRI guidelines and in the interest of the VBDO. Investors are primarily interested in the overall vision and performance of a company;
- The underlying methodology is fully transparent and publicly available;
- It enjoys public support. The VBDO gained this support by involving a variety of stakeholders in the design of the benchmarking method;
- It is based on internationally recognized norms and standards;
- The indicators comprise the notion that scarcity is a problem and that it will only become more severe in the future.

2.2.2. *Demarcation*

The benchmark is subject to the following frames and limitations:

- The investigated group of companies comprises of 40 *of the largest* listed corporations on the Dutch indices AEX, AMX, AScX (SmallCap) (and 'local'), whose procurement of goods and services constitutes a significant proportion of their operational expenditure. Service providers, such as financial institutions, ICT companies and recruitment companies are not included in the research.
- The VBDO has limited itself to 40 companies in 2011, equal to 2010. The cut-off point potentially changes from year to year, but the VBDO strives to repeat, rather than to exchange the corporations included in the benchmark. Hence, AEX listings are greater in number than AScX, and a 'local' listing is included in the group of investigated companies - which is included in Table 1 below;
- A simplified supply chain model is used;
- The benchmark is a generic model, therefore highly adaptable to all companies of the investigated group;
- In carrying out the benchmark, the VBDO only uses publicly available information provided by the companies themselves. This includes mainly sustainability reports, financial reports and company websites.

Table 1: Research Group

	AEX		**AMX**		**AScX**		**'Local'**
1.	Ahold (Royal)	21.	Aalberts Industries	34.	Accell Group	40.	Crown van Gelder
2.	Air France-KLM	22.	AMG	35.	Ballast Nedam		
3.	AkzoNobel	23.	ASM International	36.	Macintosh Retail Group		
4.	Aperam	24.	BAM Group (Royal)	37.	Sligro Food Group		
5.	ArcelorMittal	25.	CSM	38.	Telegraaf Media Group		
6.	ASML	26.	Heijmans	39.	Wessanen (Royal)		
7.	Boskalis Westminster (Royal)	27.	Imtech				
8.	DSM (Royal)	28.	Mediq				
9.	Fugro	29.	Nutreco				
10.	Heineken	30.	Pharming Group				
11.	KPN (Royal)	31.	Ten Cate (Royal)				
12.	Philips (Royal)	32.	Vopak (Royal)				
13.	PostNL	33.	Wavin				
14.	Reed Elsevier						
15.	SBM Offshore						
16.	Shell (Royal Dutch)						
17.	TNT Express						
18.	TomTom						
19.	Unilever						
20.	Wolters Kluwer						

2.3. Benchmark indicators

The benchmark methodology is distinctive between leadership and management as implied by Peter Drucker: 'Management is doing things right, leadership is doing the right things'. Hence, the following categorization of benchmark criteria reads:

A Governance and Vision
1 Board of Directors' responsibilities
2 Trends and challenges
3 Involvement of stakeholders
4 Strategy
5 Core standards of a company

B Policy
6 Policy and management systems for suppliers
7 Defining supplier policy (indirect suppliers)
8 Content of the Supplier Code
9 Supervision method
10 Non-compliance policy
11 Identifying high-risk suppliers
12 Identifying critical suppliers

C Management
- Management general
13 Product life cycle R&D
14 Logistics
- Management upstream
15 Verification of supplier supervision
16 Competence of the supervising persons/institutions
17 Supervising results
18 Action on non-compliant suppliers
19 Educating suppliers
20 Education coverage
21 Communication between company and suppliers
22 Monitoring results
- Management, midstream/company level
23 Educating purchasers
24 Cooperation agreements
- Management downstream
25 Product life cycle; sales attuned to emerging markets (BOP)
26 Product life cycle; recycling
27 Responsible marketing
28 Monitoring results

The actual descriptive content of these criteria and the potential and partial scores awarded to the companies' reportings are attached as Appendix 1 to this report. The maximum scores have been part of stakeholder consultation. In 2011 no changes were made to the criteria, although criteria 2 and 4's maximum scores were extended from maximum 1 point for either of the criteria, to 2, for again both of the criteria.

2.4. Qualitative and quantitative assessment

Using the 28 indicators of this research, the VBDO analysed the Sustainability Reports and other relevant publicly available company sources. Points were given for fully, partly and not meeting an indicator, the classification of which is shown in the appendix. The maximum attainable number of points has, as indicated above, changed from 57, to 59, equalling 100%. Listing company performance as a percentage makes it possible to compare a company's performance over a period of time, even when some indicators are added or attainable points adjusted.

A qualitative profile of the analysis performed is documented along the setup of the benchmark criteria. These profiles provide insight into the most important pros and cons per company. These analyses also provide the company with suggestions for improvement. Additionally, sector profiles and historical figures were drawn up, as to enhance the comparative perspective for the companies involved, and describe influential context and/or developments. Not all criteria are necessarily addressed in the company (and sector) profiles.

2.5. The role of the jury and the Award

The 'winner' will receive the VBDO Responsible Supply Chain Award. By handing out this award, the VBDO raises awareness within society and within publicly listed companies. It rewards robust policy and strategy and urges lagging companies to improve performance. The VBDO nominates top performing companies. The independent jury will choose the Award's winner and possibly mention some honourable achievements. The jury considers not only to the benchmark results, but also the best performer(s)' progress and any outstanding initiatives.

2.6. Best Practices

Responsible supply chain management: looking ahead
With Philips scoring 95% on this year's benchmark, it goes to show that the upper limits of the benchmark methodology are close to being reached. However, despite Philips' excellent performance on the benchmark, it does not mean that Philips has nowhere to look for improvement. Actually, two of its industry *peers*, HP and Dell, are considered by some to be further ahead[5] in the development of their responsible supply chain management.

Hewlett-Packard (HP)
Information and communication technology producer HP reports clearly on sustainability performances, including the number of compliant suppliers and conducted audits. It also clearly connects sustainability trends with business opportunities. HP has a sophisticated program for the measurement and reduction of emitted greenhouse gases from its suppliers.

[5] For an environmental example, see e.g. The Greenpeace Guide to Greener Electronics 2011.

The company offers trade-in and buy-back programs in several countries, where previously owned HP products are made available for purchase and extend product lifecycles. The company has also been working with (NGO) BSR in China, the main country it sources from, to help suppliers reduce energy use, GHG emissions and costs. This way, the company can benefit from improved efficiency at its suppliers and gives substance to the business case of supply chain responsibility. It also emphasises a paper procurement policy, which is aimed at the exclusion of suppliers linked to illegal logging or deforestation.

HP released the HP Environmentally Preferable Paper Policy in 2008, which details principles for buying, selling or using paper and paper-based product packaging. The policy outlines its aims to increasingly source paper and packaging from suppliers that demonstrate sustainable forestry practices, recycle paper when possible and reduce the tonnage of paper it uses in its operations. HP sets goals to drive implementation of the paper policy and progress is reported annually in HP's Global Citizenship Report. In contrast, Philips only reports very limitedly about its paper use.

In order to improve its already extensive recycling program, HP has undertaken a multi-year tracing effort with its suppliers and publishes its suppliers online. Philips has been criticized for not publishing a list of its suppliers[6]. Furthermore, the company has introduced a new internal audit policy for suppliers on conflict minerals and has actively reached out to NGOs on conflict minerals.

Dell

Next to HP, Dell also manages to effectively exclude the sourcing of paper from suppliers linked to illegal logging or deforestation. Dell has a relatively comprehensive take-back programme and provides extensive information on how to recycle their discarded electronics. The company participated in the OECD due diligence drafting and has actively reached out to NGOs, and organized several panels on conflict minerals. Dell offers free recycling in the majority of places where it does business. It has expanded its global programme and, according to its website, now offers recycling of used electronics in 69 countries globally. In the financial year of 2011, Dell reports to have recycled more than 150 million pounds of e-waste.

[6] SOMO, March 2010: http://somo.nl/publications-nl/Publication_3644-nl

3. RESULTS – COMPANY PERFORMANCE

The sectoral and historical approach of this report is new compared to the previous benchmarks. Aiming to enable sectoral and historical comparison, and possibly refuting or confirming the argument that sectors are incomparable in some respects of this theme, the results of this benchmark are presented in groups, or sectors. These 'sectors' are grouped on the basis of 'type of supply' – not the more common type of product or service (e.g. 'oil & gas'), or type of operations (e.g. 'consumer goods'). In this benchmark's new approach, companies are (for the sake of simplicity) labelled with one sector only, even if they are clearly or more or less 'a bit of both'. (For example Wavin - construction and industrial production); or ArcelorMittal - mining and industrial production.) The categories are not unambiguous, completely self-evident or exhaustive. But they fit the task of grouping 40 companies in smaller and somewhat more homogenous categories from a perspective of (responsible) supply chain management.

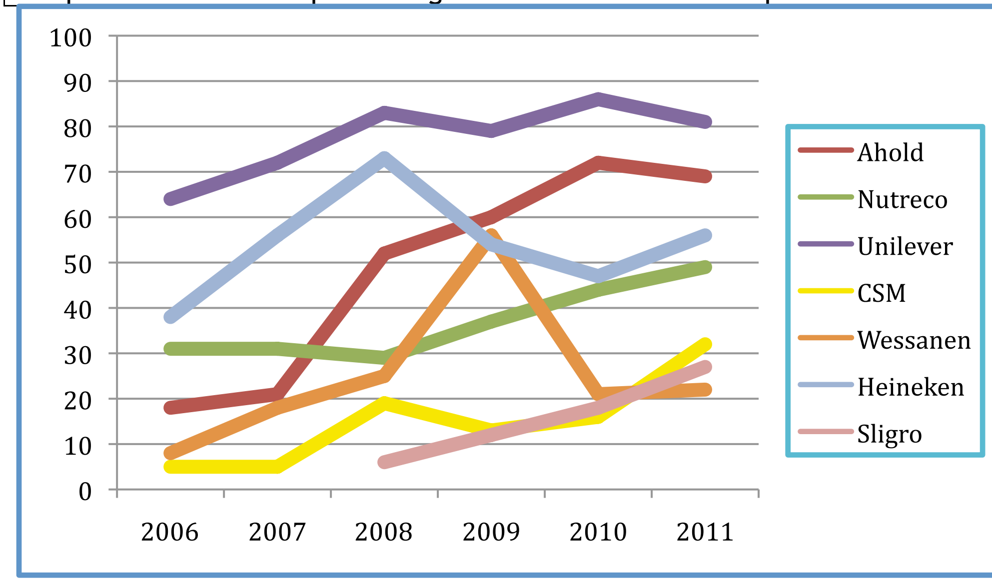
3.1. 'Foods'

The food sector is characterized by long and complex, worldwide chains. The (agricultural) commodities at the base of the chain are mostly sourced from developing countries, and require long transportation routes. All in all, the food sector supply chains have a substantial direct and indirect impact on society and environment along the chain. One company stands out in not only recognizing this impact, but also taking measures by formulating the ambition to source sustainably by the year 2020: Unilever. The strategic importance of a sustainable supply chain is also strongly highlighted by Ahold, CSM and Wessanen, but these companies do not express their ambitions as clearly as Unilever does.

All companies in this group ('foods' *sector*) have supplier policy in place. A clear distinction is visible between companies that include indirect suppliers as their supply chain responsibility, and the companies that do not mention suppliers beyond their own. Although the content differs, all companies use a supplier code and publish this code on their respective websites, except for Wessanen, which does not provide access to its code. Somewhat surprisingly, when it comes to identifying and dealing with high-risk suppliers, Ahold shows a more straightforward approach than Unilever. Ahold states it wants to ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012, while Unilever does not numerically specify its approach towards high-risk suppliers. All but Wessanen and Sligro, again, apply a structural research and development program for a more efficient use of scarce resources.

The sector as a whole earns many points in the benchmark under 'management', regarding criteria such as (reporting on) supplier supervision, communicating about non-compliance, and the education of suppliers and purchasers. Downstream of the chain, the relatively high performers (Unilever, Ahold, CSM and Heineken) show the most sophisticated management mechanisms, including KPI's, and base-of-the-pyramid market opportunities (namely Unilever with its hygiene product line). Sector specific initiatives are the Roundtable for Sustainable Palm Oil (RSPO), which draws major contributions from Unilever and Ahold, and the Aquavision and Agrivision stakeholder conferences on sustainability in the supply chain, which are organized by Nutreco.

Graph 1: 2006-2011 % percentage scores for 'Foods' companies



3.1.1. Royal Ahold

Governance and vision – 6/7
The Ahold CR policy is based on five stakeholder categories: consumers, suppliers, employees, the environment, and the community. The CR policy is formulated in a strategy and related goal setting. Although CR is integrated in overall business strategy, it is not reported how responsible supply chain management can lead to opportunities for Ahold. The company's Corporate Responsibility commitment lies at Executive Board Level.

Policy – 14/17
Ahold states that all their suppliers are required to sign the standards of engagement, which outline CR-related requirements. Ahold expects its suppliers to uphold the standards of engagement with its own suppliers and subcontractors. These standards follow ILO conventions and set clear minimum standards on issues as working conditions and human rights, but no environmental standards are included. Although the method of monitoring is not publicly available, Ahold wants to ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012. Furthermore, the company has identified six critical commodities for own-brand products (tea, coffee, cocoa, palm oil, soy and seafood), and has obliged itself to source these commodities in accordance with industry certification standards by 2015.

Management - 21/35
Ahold tries to alter its production and product life cycles in such a way that environmental damage is limited, and sources locally whenever customers prefer local products and produce. The company wants to ensure that 80% of own-brand food suppliers are Global Food Safety Initiative certified by 2012, but it is not sure to what

extent suppliers are audited at the moment. All high-risk suppliers are expected to comply with the supplier code by 2012, but what proportion of suppliers are considered high-risk remains unclear. Also, it is not reported what proportion of suppliers, whether labelled high or low risk, actually comply with Ahold's supplier code. Although it is evident that Ahold engages with suppliers and tries to find supply chain solutions, it is not reported whether this is on a structural basis, nor how many suppliers participate. On each of the five sustainability pillars Ahold established for itself, clear KPI's are developed and show improvement. Ahold is a participant in (industry) sustainability programs, and has a proactive approach towards cooperation with NGO's, such as the RSPO and the Sustainability Consortium.

Total score: 41/59

3.1.2. Heineken

Governance and vision – 5/7
Heineken engaged with several stakeholders and reports specific outcomes. The Heineken sustainability policy is based on seven focus areas, resulting from a trend analysis. These areas are integrated in all activities of the company. The Executive Committee has five of its members bearing responsibility for sustainability.

Policy – 11/17
Heineken has a supplier code that is available online and covers business conduct, human rights and the environment. Heineken "strives to treat the environment with due care and to comply with environmental and other legislation applicable to its operations in a geographical location", but does not go into detail about how it monitors suppliers on environmental performance. Heineken developed and tested the metrics and questionnaires underpinning its assessment system for sustainable agriculture). This monitoring system focuses on the sustainability indicators for the apple to cider, barley to beer and hops to beer chains. Furthermore, the company is working on a compliance monitoring procedure and a risk matrix that will help to identify suppliers, materials and countries at risk of non-compliance. In comparison to last year, Heineken's non-compliance policy contains a stratified plan of action. The company states that suppliers can assess their own compliance, although it has the option of performing audits. High risk and critical suppliers are not identified yet.

Management - 17/35
Heineken designed a carbon footprint model for distribution operations to measure, report and identify CO2 improvement opportunities, which is rolled out during 2011. To improve large sustainability improvements, the company incorporates sustainability criteria in the procurement process for transportation services. However, no quantitative data on the (increased) sustainability of its distribution practices is provided. Furthermore, as company reliant on agricultural products mainly stemming from developing countries, the impact on biodiversity could have received attention in this year's annual report. The sustainability report provides no quantitative information on the number of supplier audits, nor on their forthcoming results. Therefore it remains unclear what percentage of suppliers agrees to the code. Heineken cooperates with suppliers on sustainability issues, but this seems to be on a random basis, exemplified by the company's development of a supply chain initiative

in Sierra Leone, and health related projects in African markets. It is unclear whether Heineken has set up structural education programs throughout the chains. In comparison to last year, quantitative KPIs have been formulated for both downstream and upstream operations. Heineken includes sustainability in its communication policy, but does not make clear that sustainability is part, let alone an essential part of its marketing strategy.

Total score: 33/59

3.1.3. Unilever

Governance and vision – 7/7
Unilever has made a serious effort to explain and stress the business case of sustainability. These efforts might or might not be valued enough in this benchmark's current methodology – For its efforts have not yet led to a rising score this year. In any case, due to its Sustainable Living Plan, Unilever will be practicing responsible supply chain management in the years to come. Vision wise, the VBDO considers Unilever an example for other companies. In line with the company vision, the executive board holds responsibility for sustainability matters. Trends that affect its business practices among several links in the supply chain are seen as opportunities for company growth.

Policy – 16/17
Unilever applies a Supplier Code that specifies the responsible sourcing requirements on the key areas of health and safety at work, business ethics, labour standards, consumer safety and the environment. Unilever includes indirect suppliers in the code, by requiring direct suppliers to ensure that their direct suppliers also adhere to its principles. Unilever communicates the Code to its direct suppliers and requests assurance that management systems are in place to ensure compliance with its principles. There is a monitoring method in place, and a non-compliance strategy containing a stratified action plan. The Supplier Code is applicable to all suppliers, but the company does not specify how many of its total number of suppliers actually stated compliance. Instead the company states: "As a minimum, we encourage and support all our supplier partners in upholding the standards set out in Unilever's Supplier Code, and seek assurance from our suppliers around the world that their practices meet our guidelines." Unilever does not explicitly mention (the ratio of) high-risk or critical suppliers, but does address suppliers of critical commodities, such as palm oil suppliers. Unilever does not show a structural purchaser education plan.

Management - 25/35
Despite the outstanding vision and policies being in place, Unilever could improve its reporting on the implementation and results of its supply chain management. This is mostly because of the absence of quantitative data on supplier audits, non-compliance with the code, and supplier education programmes. The company states: "As a minimum, we encourage and support all our supplier partners in upholding the standards set out in Unilever's Supplier Code, and seek assurance from our suppliers around the world that their practices meet our guidelines." The VBDO thinks that quantitative reporting on this matter would have been less ambiguous, and a next step to transparent, solid responsible supply chain management.

This year's publication of the company's Sustainable Living Plan does contain specific, quantitative information on sustainability in the supply chain. Both upstream and downstream, key performance indicators are formulated. Downstream of the supply chain, Unilever stands out because of its sales attuned to emerging markets. Hygiene products such as soap are specifically targeted at the 'bottom of the pyramid'. As a downstream KPI, aiming at improving health and well being in developing countries, the company wants to increasingly include small-scale farmers into its supply chains.

Total score: 48/59

3.1.4. CSM

Governance and vision – 6/7
CSM is on the right track in developing its responsible supply chain management. The Board of Management bears overall responsibility for sustainability issues. CSM identified trends, and perceives sustainability an opportunity for growth. However, the trend analysis is not aimed at separate links of the supply chain. Its Purac brand is the company's sustainability flagship, but it is yet a modest contributor to overall sales (about 13%), showing marginal growth rates. Nevertheless, sustainability is an integrated part of the company strategy, and recognizes the importance of its supply chain in the attempt to increase sustainability. Through operational excellence and supply chain optimisation, CSM connects responsible supply chain management with company strategy.

Policy – 4/17
Two years ago, CSM introduced the Sustainability Wheel, which was meant to push sustainability in procurement and quality assurance control. In the 2009 and 2010 reporting, the Sustainability Wheel disappeared without clear reasoning, and was replaced by more general information, mentioning that CSM holds suppliers to certain standards. CSM states that it "works with suppliers towards sustainable and responsible ESH practices and makes efforts to reduce carbon footprint, including the whole supply chain, and sustainable sourcing". CSM has a supplier policy and supplier code in place; of which the latter was established over the course of 2011. The content and stringency of the supplier code are still somewhat limited, with ambiguous phrases as "we expect (...) all business to be conducted with integrity". Risk suppliers are identified and engaged with, but it's not sure what sustainability issues are part of this interaction.

Management - 9/35
CSM gives practical examples of how energy is saved and the use of scarce resources is limited. The carbon footprint is targeted by efficiently using energy and optimizing transport and logistics, while water usage and waste reduction are also parts of operations. According to CSM, driving carbon footprint reduction is deeply linked to the Purac business strategy, by helping to reduce CO2 emissions and lowering society's dependency on fossil fuel. Purac's innovation program includes "the development of new generation bio-based chemicals, using lactic acid as a potentially important chemical platform to replace fossil fuel based chemicals". Furthermore, upstream and downstream sustainability KPI's are formulated, although goal setting would be a welcome addition, that would further indicate the level of improvement. CSM is a

follower of supply chain sustainability initiatives, such as Roundtable on Sustainable Palm Oil (RSPO), and Sustainable Food ('DuVo').

Total score: 19/59

3.1.5. Royal Wessanen

Governance and vision – 5/7
Wessanen transformed its entire business model, switching to a strict focus on organic products, which currently applies to 61% of its product portfolio. Evidently this makes sustainability an integral part of the business. And it affects the supply chains of its products. However, the company strategy does not seem to be specified to separate links of the supply chain. Wessanen decided to publish a separate sustainability report, as well as a sustainability fact sheet. These documents lack details such as a stakeholder analysis.

Policy – 3/17
Wessanen states that it is essential to control its external and outsourced parts of the supply chain, and elaborating on it as an operational risk. It wants to keep a close relationship with its suppliers, conduct inspections on products and processes, prevent overdependence on a limited number of suppliers, and establish insurance contracts to manage the financial consequences of these risks. It is stated that, "local and European labelling guarantees sustainability throughout the value chain, from seeding all the way to the moment of consumption". The company identified the supply chain as a possible area of vulnerability in terms of sustainability, but is still developing a system to audit suppliers. Furthermore, it mentions to reduce supplier risk by sourcing locally, but does not specify what proportion of total supplier expenditure this is. Alas, the Supplier Code, which is referred to throughout its reporting, is not publicly available. Therefore Wessanen's supplier policy (Supply Chain Audit Protocol, SCAP) and management cannot be verified, unfortunately.

Management - 5/35
Despite the existence of the Supply Chain Audit Protocol, Wessanen does not publish anything on the results of these audits. Examples in case of non-compliance are left out as well. Wessanen focuses heavily on organic food products, clearly emphasizing sustainability and its business case. The decision to shift to organic food can be seen as a means to limit the use of scarce resources in its operations. However, there is no clear policy on making the production process more sustainable. Scope 1 emissions and water usage have decreased, but it is not reported whether structural, continuous efforts are made to reduce environmental impact. Overall, CO_2 emissions increased by more than 30%. This increase was mainly caused by Scope 3 emissions, while sales increased by 1,4%. Wessanen's reporting would be significantly improved with the formulation of goals, and monitoring to indicate improvement. On the downstream supply chain Wessanen recycles about 80% of its production waste and wastewater, which is an increase compared to last year. However, a clear recycling policy and subsequent goals are not reported. Other aspects of the downstream supply chain are not explicitly mentioned.

Total score: 13/59

3.1.6. Sligro Food Group

Governance and vision – 3/7
Sligro Food Group is clearly on the right track with its approach to responsible supply chain management, showing a significant rise in overall score compared to last year's benchmark. It has established a CSR committee, chaired by the CEO. It could extend its trend analysis and focus more specifically to include more parts of the supply chain, in order to include sustainability in a comprehensive strategy. A stakeholder analysis is still on Sligros' the to-do list.

Policy – 11/17
Sligro is a member of the BSCI, which helps the company to guide and monitor suppliers. The purpose is that at least two thirds of the suppliers should comply with the code within 5 years time. However, supplier audits have yet to take place. Sligro thanks its leap in score compared to last year's benchmark mostly due to establishment of a clear supplier policy and supplier code.

Management – 17/35
Sligro has formulated quantitative performance indicators related to sustainability, which is a new addition to its sustainable management. Through its MijnBoer (MyFarmer) programme, Sligro prefers to source local products and thereby reduces emissions related to logistics. Also, the company has implemented several initiatives to 'green' the logistics, reducing carbon emissions. However, no quantitative information is given. The company actively engages with suppliers through education and training, but it is not clear whether this is on a structured basis. Chinese suppliers were familiarized with the supplier code through training sessions, showing awareness of risk suppliers.
Sligro's marketing became increasingly focused on sustainable products, but it is not clear what proportion of sales these products are responsible for.

Total score: 31/59

3.1.7. Nutreco

Governance and vision – 5/7
Responsibility for sustainability matters goes all the way up to the boardroom at Nutreco. The company organizes a large biennial seminar, where it engages with stakeholders on sustainability issues. The extensive trend analysis does not cover the supply chain very specifically. And although Nutreco aims to contribute to the challenge of sustainably feeding future populations, it does not explicitly discuss opportunities arising from the sustainability challenges it faces.

Policy – 10/17
Nutreco monitors its suppliers through its 'Nutrace' system, which maps supplier risks, especially relating to quality and safety. Early 2011 Nutreco implemented a Vendor Policy that is supposed to cover these matters, but the policy is not available publicly. The company wants to engage with its top 100 suppliers by the end of this year,

agreeing upon the implementation of the Vendor Policy. The company focuses especially on suppliers of “risk goods”, such as palm oil, soy, and a list of marine products. Due to the early development phase of its supplier policy, auditing will only start from 2013 onwards, and subsequently there is no information provided on a non-compliance policy.

Management - 14/35
The company organizes industry seminars, includes suppliers in its training programme and teaches purchasers to select suppliers, based on sustainability indicators and assisted by the Nutrace system. However, quantitative information is not been made publicly available. Somewhat surprisingly, Nutreco does not report about a recycling policy, and hence it is unclear whether one is in place. Furthermore, emerging markets or ‘base of the pyramid’ markets do not seem to be part of the company strategy.

Total score: 29/59

3.2. ‘Electronics’

As a sector with relatively high dedication to R&D, the product life cycle is where most companies try to improve their sustainability performance. E-waste, mainly ending up in developing countries, remains an issue on the downstream side of the chains. Fortunately, companies recognize this issue and implement initiatives such as take back programs. Philips, for example, aims to design for recyclability and hence takes back spare parts to use in new production processes. Another relevant theme for this sector is the sourcing of certain rare earth minerals, which are important components for most modern technological products. These minerals are often sourced from conflict zones, such as the Democratic Republic of Congo, and hence require companies to take due responsibility.

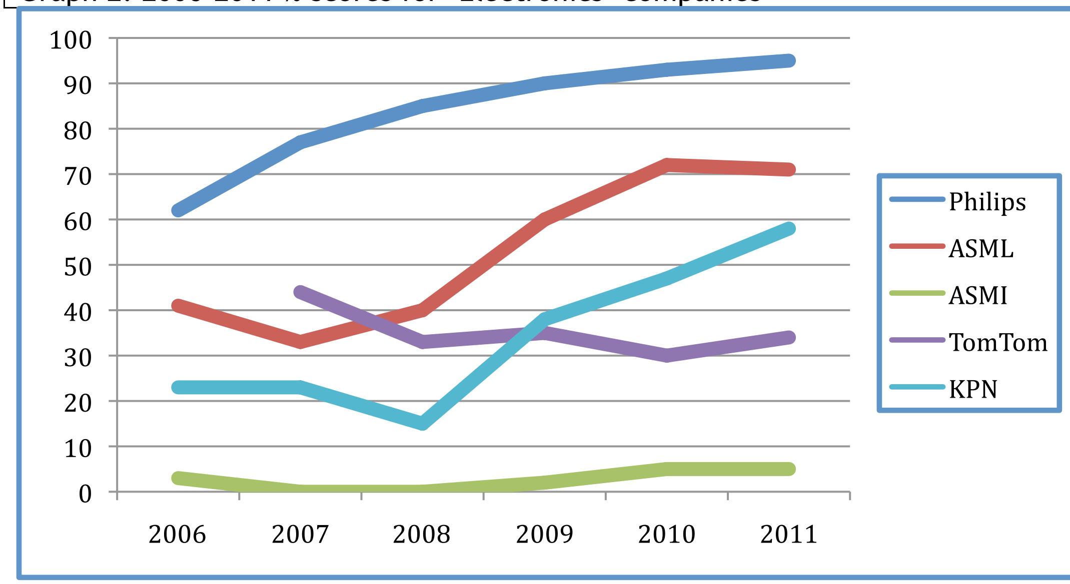
Last year’s top performer was Philips, which is why this year includes a comparison with international frontrunners (and *industry peers*) in the field of responsible supply chain management: Hewlett Packard and Dell. However, the scores in this benchmark’s ‘electronics’ group are very diverse, with ASM International having the lowest score with only 5%, TomTom and KPN are in the middle segment, and ASML scoring very high, but as mentioned before, Philips with a score very close to the maximum score, with 95%.

While Philips has nearly everything in place and reports both quantitatively and qualitatively, the other companies have a less consistent approach. What stands out, is that none of these companies clearly stresses identified opportunities resulting from sustainability trends, let alone incorporates them into overall strategy.
All but AMSI have a fairly comprehensive supplier policy and code in place, including monitoring methods and non-compliance measures. Especially KPN (and TomTom) stand out for the limited or even lack of identification of risk and critical suppliers.

As a sector with relatively high dedication to R&D, the product life cycle is where most companies try to improve their sustainability performance. Philips aims to design for recyclability and hence takes back spare parts to use in new production processes.

TomTom stands out for its lack of reporting on supervision results, and supplier and purchaser education. In contrast, Philips organizes training sessions for all suppliers and purchasers, and reports on the attendance and topics. The Electronic Industry Citizenship Coalition (EICC) is an initiative to promote sustainability within the sector, and provides a supplier code as well. Both Philips and ASML are members, unlike the other companies in this group.

Graph 2: 2006-2011 % scores for 'Electronics' companies



3.2.1. ASML

Governance and Vision – 3/7

Sustainability trends and opportunities are not made very explicit by ASML. However, the Sustainability Report 2010 discusses energy savings in the production of microchips and the indirectly saved energy by using these new and more energy efficient chips. This is commonly referred to as 'shrink', and has been the central progress and sustainability trend in this sector for many years. Moreover, a stakeholder table states that one of the addressed topics concerning industry peers is 'Sustainability Trend spotting'. Therefore, it is surprising that this is not made more specific. ASML's Chief Operations Officer is ultimately responsible for the sustainability policy and deployment of a global sustainability management system.

Policy – 12/17

Although it is clear that ASML has a supplier's policy in place, this policy was not found to be publicly available through company sources. ASML has applied for the applicant membership of the EICC (Electronics Industry Citizenship Coalition) and therefore applies the code across its supply chain. This code clearly states that it requires next tier suppliers to 'acknowledge' the code as well. The company hopes to become a full member in 2012.

ASML monitors its suppliers by assessing them on three main areas: intellectual property management, supply base risk and supplier risk (including sustainability issues such as environment, health & safety and corporate social responsibility). If suppliers do not comply, they will be removed from the company's preferred supply base. In the past year, only one supplier had been removed. From this assessment high-risk suppliers were identified. Moreover, 45 product-related key/critical suppliers accounting for 84% of total 2010 product-related spending are committed to ASML's sustainability requirements.

Management – 27/35
ASML does not aim to avoid the use of scarce resources, but the company claims that through Moore's Law (the number of transistors in a chip doubles nearly every 2 years), energy use of new chips is greatly reduced each year. One of its sustainability objectives therefore is 'to continuously minimize the ecological footprint of its products by enabling the 'shrink' of semiconductors, through a sustained level of investments in R&D'. In the Sustainability Report 2010, ASML publishes quantitative and qualitative data of indirect and direct energy use. Shortening distribution channels, and minimizing the distance between the production location and user market, are other consequences of cost reductions that inherently reduce the environmental footprint of ASML's value chain. As a consequence, ASML has published impressive qualitative and quantitative CO emissions data. The company jointly operates a formal strategy known as 'Value Sourcing' with its suppliers, this aims at continuously improve quality, logistics, technology and total costs.

ASML has worked closely with key suppliers to improve their competence in developing products and production processes. It has identified clear key performance indicators that are presented in a table, making a division between Operations, Products, and Culture. This table includes quantitative measures of certain criteria and a qualitative description of the criteria is explained under the table. Not only a table with KPI's is published but a table with quantitative targets and their qualitative measures is presented as well. This table subdivides criteria in: sustainable operations, sustainable products, and the sustainable value chain. Overall, ASML scores well in publishing qualitative as well as quantitative data.

Total score: 42/59

3.2.2. Royal Philips

Governance and vision – 5/7
Sustainability is an inherent part of Philips' overall strategy, with direct responsibility held by the board. The strategy recognizes trends and resulting business opportunities, as well ways to minimize risks. However, the trend and opportunity analysis could be more directly targeted at the supply chain, with identified opportunities for each link in the supply chain. Stakeholders are mentioned and actively involved in supply chain issues, and the company's core values are stated clearly.

Policy – 17/17
Philips has a detailed supplier sustainability program. In the report the company states to create commitment and build understanding, monitor identified risk suppliers

through (third-party) audits, manage risk and work with stakeholders. Moreover the company is part of the Electronic Industry Citizenship Coalition (EICC), which requires direct and indirect suppliers to meet specified sustainability standards. Philips clearly states how many non-compliant suppliers it has identified, per country as well as per type of issue. Philips has developed sustainability performance indicators for its suppliers, and has every supplier audited by a third-party once every three years. This shows a strong focus on improvement. Once a non-compliance issue has been encountered, it has to be resolved within 90 days time. Philips supports its suppliers in their ability to comply with its Supplier's Code, by organizing training events. In respect to last year, Philips improved its reporting by including more detailed information on the number of risk suppliers. Where risk is identified the company conducts awareness training with suppliers to prepare for third-party audits. Cases of non-compliance are followed by issue resolution by Philips supplier managers and experts, who share best practices, define corrective actions and monitor the implementation. Although it is clear that education is provided to every supplier, it is not clear which proportion of all suppliers participates at these training sessions.

Management - 34/35
Philips audited 98% of its suppliers situated in risk countries, with the majority being in China. During 2010, Philips took the phase-out decision for 14 sites, mainly because of a lack of sustainability improvements. Overall, the report gives extensive information on supplier audits and their results, as well as actions following cases of non-compliance. Philips's EcoVision programs have been part of policy and operations for years, focusing on minimizing environmental impact. In the past year, Philips reached its EcoVision4 targets ahead of schedule. Despite that achievement, Philips's CO2 emissions from logistics grew by 8% in 2010, caused by increased sales. However, carbon emissions and energy usage in manufacturing were lower than in 2009. Philips doubled its use of hazardous and restricted substances compared to 2009, due to a 'new acquisition in Consumer Lifestyle, mitigated by process improvements and organizational changes at Healthcare'. Philips's total manufacturing waste increased with 7%, while amount of waste delivered for recycling only increased by 1% (from 77% in 2009 to 78% in 2010).

Total score: 56/59

3.2.3. TomTom

Governance and Vision – 2/7
Within TomTom the Management Board is responsible for corporate social responsibility. In the Annual Report stakeholders are discussed several times, but none of these discussions concern key issues and how the stakeholders' interests are promoted in the company strategy. The company's core values are discussed in the Internal Code of Ethics.

Policy – 9/17
TomTom has a supplier policy through its Ethical Trading Code of Practice, which every supplier needs to sign and is at the core of the company's procurement processes and embedded in its vendor selection process. The code includes international standards such as the Universal Declaration of Human Rights (UNDHR),

ILO Conventions, ISO 14001 and more. However, it is stated that TomTom uses the principles described in the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transaction. Details on this matter are not published anywhere in the policy. The policy is also aimed at suppliers of direct suppliers, which means indirect suppliers are addressed. Including quantitative measurements could have improved the environmental management monitoring system. Business relationships *may* be terminated when suppliers are unable to comply with the TomTom Ethical Trading Code of Conduct.

Management – 9/35
TomTom aims to reduce impact on environment in its product lifecycle on customer, supplier and company level. Results vary from reduced mileage of driving to 93% of its products being recyclable. Moreover it realizes that the growing car sales market in Eastern Europe, Asia, South America and Africa lead to a growing demand for navigation products and services and intend to be at the forefront of this trend. The Ethical Code of Practice states that: 'TomTom and its suppliers will work together as far as possible to highlight and improve areas of concern and to ensure the cessation of serious breaches of the TomTom Ethical Trading Code of Conduct'. There is no public information on up- and downstream KPIs, nor was any monitoring or compliance information made public.

Total score: 20/59

3.2.4. ASM International

Governance and Vision – 3/7
Although ASMI analyses major business trends and sustainability is a management board responsibility, ASM is not very transparent about its responsible supply chain management. ASMI has a Code of Ethics – though finding it on the website requires search skills and patience.

Policy – 0/17
Although last year it was reported that ASM International would install a global procurement organization, there is no sign of this initiative in this year's annual report, nor on the website. Therefore it could be concluded that ASMI does not have a Supplier Code or does not publish anything on the subject.

Management – 0/35
Even though in previous years information ASM International stated it would start a global environmental program, there is no public proof of its existence at this point.

Total score: 3/57

3.2.5. Royal KPN

Governance and Vision – 5/7
KPN's CEO Baptiest Coopmans holds KPN's Corporate Social Responsibility. He is subsequently the chairman of the CSR Steering Committee. KPN senior executives

maintain a dialogue with key external stakeholders on sustainability issues. In the annual report 2010, trends and opportunities are recognized, but they do not focus specifically on sustainability and the supply chain. KPN acknowledges that growth is only possible when service and financial performance as well as sustainability are integrated in the strategy.

Policy – 11/17
At KPN the Supplier Code of Conduct is part of the General Conditions of Purchase. It is expected from suppliers that they ask their subcontractors to comply with the Code as well, and boundaries to this rule are not discussed. Forthcoming this code, KPN performs an annual risk analysis to identify which suppliers need improvement. Additionally, in 2010 KPN started asking suppliers to perform a self-audit using the E-TASC audit system of the Global e-Sustainability Initiative. The external audit in E-TASC will be mandatory for all suppliers in the long-term. Policy includes short descriptions on all criteria concerning human rights, labour rights, social policy and environmental policy. However, these are qualitative aims and hence clear quantitative goals have not been established (yet). KPN may end the contract when a supplier does not comply.

Management – 18/35
KPN works towards reduced energy and CO2-emissions constantly, by monitoring results and giving qualitative and quantitative examples. The CSR report shows how many suppliers signed the code and how many of those were high-risk. Out of 62 high-risk suppliers, 58 (94%) complied with the code of conduct. When a supplier does not comply with the code it is given options to improve, such as the E-TASC audit they have to perform themselves. If the supplier still does not comply after this, the relationship might be ended. Furthermore, the CSR Report 2010 states that: ‘KPN and Supplier will evaluate this Code and seek actively for ways to improve it, both on its content and in expanding compliancy to second tier suppliers.’ In 2010 a total of some 26,000 mobile phones were returned through various channels for reuse or recycling.

Total score: 34/59

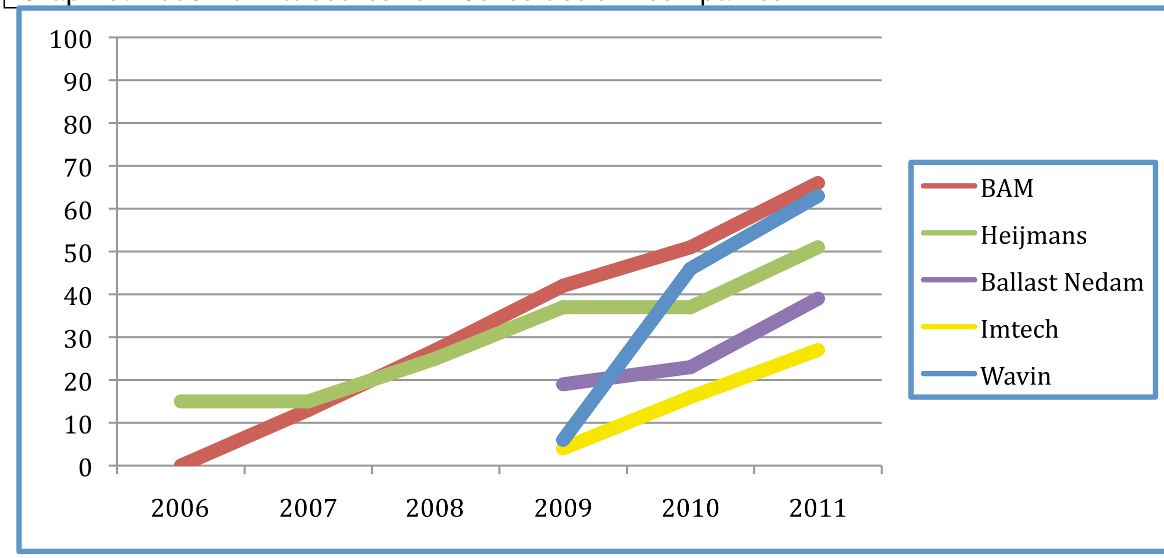
3.3. ‘Construction’

Individually, all five companies grouped ‘construction’ showed impressive increase of their benchmark score, even in difficult times - for companies that have their major operations in (western) Europe. Large differences however remain between these companies. The existence or absence of a supplier code is critical to the overall score on the benchmark, explaining the significant differences between the companies. Next to a policy, only Wavin and BAM included substantial information on supplier supervision and their non-compliancy policy, making them the ‘industry leaders’ in terms of responsible supply chain management.

BAM and Ballast Nedam are the most pro-active in organizing sector or chain wide initiatives to improve sustainability, for example by developing best practices (BAM) or reducing the amount of waste in the chain (Ballast Nedam). Imtech and Wavin focus their innovation on sustainable end products, with energy or water saving attributes. Particularly striking is the use and positive feedback on the ‘CO2-performance Ladder’

(ProRail, 2008), which is applied by all five companies. While the GRI-table is a popular reporting tool in the construction sector, Wavin stands out because of their CSR-factsheet, an online document highlighting sustainability performance and goals. The use of a factsheet implies that there is more room for numbers, and less room for (ambiguous) text, in contrast to the average sustainability report.

Graph 3: 2006-2011 % scores for 'Construction' companies



3.3.1. Wavin

Note: Although Wavin is not typically a construction company, it was categorized on the basis of its supply chain and significant building activities. It could however, just as well be grouped in the 'other' or 'industrial' sector. Sector analysis of the 40 companies has proved valuable in some cases, and insignificant in other cases . Hence it remains somewhat at random - and partly ambiguous.

Governance and vision – 6/7
Wavin deserves special recognition for its trend analysis, because it managed to identify sustainability challenges facing the company and the sector as whole, and formulated them into solutions. The VBDO considers this an example of mature supply chain management. However, the identified trends have not been clearly integrated into strategic planning. The Wavin board bears direct responsibility for supply chain optimisation. Its CSR fact sheet, published on its website, provides a comprehensive stakeholder analysis.

Policy – 14/17
The company has the Supplier Code, which has been implemented in 2010, available online. Suppliers need to fill out a questionnaire, including items on Wavin's indirect suppliers. Monitoring is conducted by either Wavin itself or by an external organization. However, it is not stated which external organization(s) in particular supervise Wavin's suppliers, which is why this statement cannot be verified. High-risk suppliers have been identified, although the proportion among total suppliers is not mentioned. Furthermore, the supervision method of high-risk suppliers is still under

development. Critical suppliers form 35% of purchase value, and Wavin has requested them to sign the supplier code of conduct. Overall, the points awarded were just about earned and Wavin could specify its policy much more, for example by including more detailed quantitative information.

Management - 17/35
Wavin has formulated quantified performance indicators on sustainability issues, such as CO2-emissions, waste and energy and water usage. The company states that around 80% of its Dutch, Belgian and German suppliers comply with the Supplier Code. Wavin operates in 26 countries, but does not provide quantitative information on suppliers from other than the three aforementioned countries. Hence it is not clear which countries are considered high risk and what proportion of suppliers comes from high-risk countries. The 2010 annual report states that risk supplier audits will start in 2011, so the VBDO expects to see more information on these audits in next year's research. Every single one of the critical suppliers completed its self-assessment questionnaire. As part of its sustainability targets, Wavin quantifies the recycling performance. In 2010 20% of its total capital expenditure was dedicated to reducing the use of virgin materials and use more recyclables. Downstream, Wavin's products are increasingly designed for the efficiency and sustainability of water use.

Total score: 37/59

3.3.2. Ballast Nedam

Governance and vision – 4/7
Sustainability is one of Ballast Nedam's core values. In the annual report the company states: 'For our customers, clients and ourselves, we always seek environmentally sound and energy-efficient solutions. We translate our entrepreneurship into innovative and sustainable solutions. We are aware of our responsibilities for the environment and respect people and organizations in our surroundings.' Besides these general statements, Ballast Nedam does not set out a clear sustainability strategy based on a trend analysis.

Policy – 3/17
Similar to last year, Ballast Nedam does not provide specific information on supplier or monitoring policies. The corporate website mentions supplier monitoring occurring once every year, but does not go into detail, let alone provides quantified information. Measures in case of non-compliance, and how the company identifies high risk and critical suppliers, are not described. However, it has improved and extended its code of conduct and states that it asks (and hence does not demand) its suppliers to uphold it. Ballast has identified a limited number of critical suppliers and attempts to actively cooperate in the chain, but no sustainability issues are mentioned addressed as objectives of this cooperation. Ballast Nedam does not provide a comprehensive supplier policy and does not specify supplier/sustainability related issues in its code of conduct. Any information on its supply chain responsibility is to be derived from fragmented information published in the annual report and on the corporate website. Clear reporting on the supplier policy (and supplier code) is perceived to be an essential aspect of the benchmark.

Management - 16/35
Ballast Nedam highlights sustainable innovation as a means to distinguish itself and to create competitive advantage. In relation to last year, Ballast Nedam improved its reporting on logistics. Next to CO2-emissions of its own transport operations, it requests CO2-emission data from its top suppliers.

However, the annual report does not provide quantitative data on supplier performance. Supervision of suppliers, measures in case of non-compliance and supplier education are all left out of the publicly available information. The company trains its purchasers to include sustainability into their dealings with suppliers. Ballast Nedam continues to stress the importance of recycling its waste, and reports its results both quantitatively and qualitatively.

Total score: 23/59

3.3.3. Royal BAM Group

Governance and vision – 5/7
The board of management takes responsibility for the company's sustainability policy. BAM maps general sustainability trends it faces and adapts its strategy accordingly. However, trends, challenges and forthcoming opportunities are not clearly specified for the supply chain. The company's core values are publicly available on the corporate website, covering the triple bottom line. In 2010 BAM organized its first of three, yearly multi-stakeholder dialogues, and discussed sustainability issues with its top one hundred suppliers.

Policy – 13/17
BAM maintains a supplier policy based on its own Business Principles, and also demands that second tier suppliers comply with these principles. BAM improved its social policy in this year, by adding statements on bribery, corruption and community impact. Furthermore, it published a five-year quantitative planning for its CO2-emissions reduction.

Although BAM has included more information on the monitoring of its suppliers compared to last year, the amount of information is still limited. For its supplier policy and supplier code, BAM barely earned the points given. Its reporting is marginal and ambiguous. Its GPSC document refers to the Business Principles on the company website, but the website does not contain much more or specific information on its supply chain management. There is no sign of a stratified non-compliance approach. Although suppliers need to comply with the Code of Conduct, measures in cases of non-compliance are left out of the Code. Goals for 2011 are to optimize reporting by suppliers throughout the supply chain and to continue to host sustainability meetings with suppliers, specifically targeted at the operational and regional level.

Management - 21/35
BAM supports its suppliers in becoming more sustainable, by sharing knowledge and tools to measure their carbon footprint. It is unclear whether this is done in a structural way and how many suppliers actually are covered by this 'education program'. The company perceives disagreement with a specific article of the Code of

Conduct a strict determinant in the supplier selection phase. Corporate Social Responsibility is a fixture in the contracts with suppliers, and forthcoming plans are further developed on a case-by-case basis. BAM started a supplier performance evaluation system, based on safety, quality and operational variables. Again, supplier performance and results on the supplier selections are not quantitatively displayed in the report. The variables BAM uses to evaluate suppliers are not clearly specified and the entire list of variables is not publicly available.

The company has upstream supply chain sustainability KPIs, indicating improvement, and has added downstream KPIs as well, such as an increase in waste separation and recycling, waste reduction and generating energy from waste burning.

BAM focuses on raising awareness internally with regard to sustainable procurement. The BAM Business School offers two procurement-training courses that focus specifically on the theme of the sustainable procurement. The company is a member of ENCORD, a construction industry forum that combines effort and resources to advance sustainable solutions. BAM also cooperates with preferred suppliers to develop sustainable solutions that benefit the chain. Such examples of strategic cooperation are signs of mature responsible supply chain management.

Total score: 39/59

3.3.4. Heijmans

Governance and vision – 5/7
Heijmans has determined the material sustainability issues for the business partly in dialogue with its stakeholders. The company states that “responsibility for sustainability lies at the executive committee level”, thereby ensuring that sustainability is embedded at the highest level.

Policy –9/17
Heijmans has developed a supplier code (named ‘external code of conduct’), publicly available on its website. Furthermore, the internal code of conduct and the general purchasing and subcontracting terms and conditions contain chapters on sustainability and responsibility. These documents are all available on the corporate website. Heijmans wants its suppliers to formally agree with the possibility that the company itself or an external party monitors sustainability related matters. The company does not specify how many suppliers have been supervised. The sustainability declaration also refers to indirect suppliers. Heijmans’ suppliers need to conform to the terms and conditions and are also obliged to impose these on their suppliers. Hence, Heijmans includes indirect suppliers into its sustainability policy.

Heijmans is not very clear about its monitoring of suppliers. It does have a policy in place and demands compliance from its suppliers, but does not state how many, in what way and by whom suppliers are monitored. Heijmans reports that either internal or external third party auditors monitor its suppliers and subcontractors. However, no quantitative information is made (publicly) available. Heijmans does not make explicit whether it has identified high risk or critical suppliers. These are essential parts of a sustainable supply chain policy. The education provided for suppliers and purchasers is not clearly reported, which means that there is no evidence that Heijmans has a structural education program in place.

Management - 16/35
There is no information on supplier supervision. Heijmans has asked suppliers to agree to the Code of Conduct, but it is unclear what percentage of suppliers has done so. However, its relating KPI is to have all suppliers comply with the code by 2012. Furthermore, measures in case of non-compliance are not included in its reporting.

Heijmans trains and educates its own purchasers to include sustainability criteria in the selection of suppliers. The company actively recycles and involves suppliers and business partners in its recycling initiatives. It has formulated KPI's to downstream sustainability matters, such as recycling, waste reduction. Overall Heijmans has a slightly higher score compared to last year, but could score significantly higher if its sustainability objectives and targets would be quantified, and if a more sophisticated supplier code would be put in place.

Total score: 30/59

3.3.5. Imtech

Governance and vision – 3/7
Imtech has made a trend analysis for this year's annual report, but discusses trends and forthcoming opportunities only briefly. The company states that its stakeholder identification and communication processes are still pending implementation. Imtech acknowledges that its Code of Supply is non-committal and consequently not included in official Imtech policy. Even though there seems to be very limited responsibility for supply chain matters, the Board of Management states to be responsible for issues regarding Corporate Social Responsibility.

Policy – 1/17
Procurement director Jeroen Harink states that the company "doesn't work with suppliers that do not comply to Imtech's sustainability standards". The VBDO supports this statement, but is surprised that Imtech still has not made its 'Code of Supply' publicly available. During the most recent Shareholders' Meeting, the VBDO made Imtech aware of the importance of a publicly available supplier policy and/or code. Imtech reports to be working on a new Code of Supply, that is "due in 2011" but was not available at the time of this research. Alas, a Code that cannot be verified cannot be considered a code of much importance.

Management - 12/35
Imtech continues to focus on 'green' technology and innovation. By doing so, energy consumption and carbon emissions of its products and services are limited. Imtech provides plenty practical examples and states that around 25% of its total revenue stems from 'energy solutions'.

The company stresses its 'QHSE'-policy, which stands for Quality, Health, Safety and Environment. But Imtech does not include quantitative nor qualitative data. Hence, it is hard to verify improvement regarding these matters. With the absence of the Code of Supply, it is not clear whether Imtech checks compliance or how it engages with suppliers.

Imtech recognizes the potential of emerging markets and increasingly shifts its focus to the BRIC-countries and Singapore, for example. The annual report does not provide quantitative data on recycling, which is, compared to the other construction companies, exceptional. In comparison to other construction sector companies, Imtech stands out for not having GRI-standards integrated into their reporting.

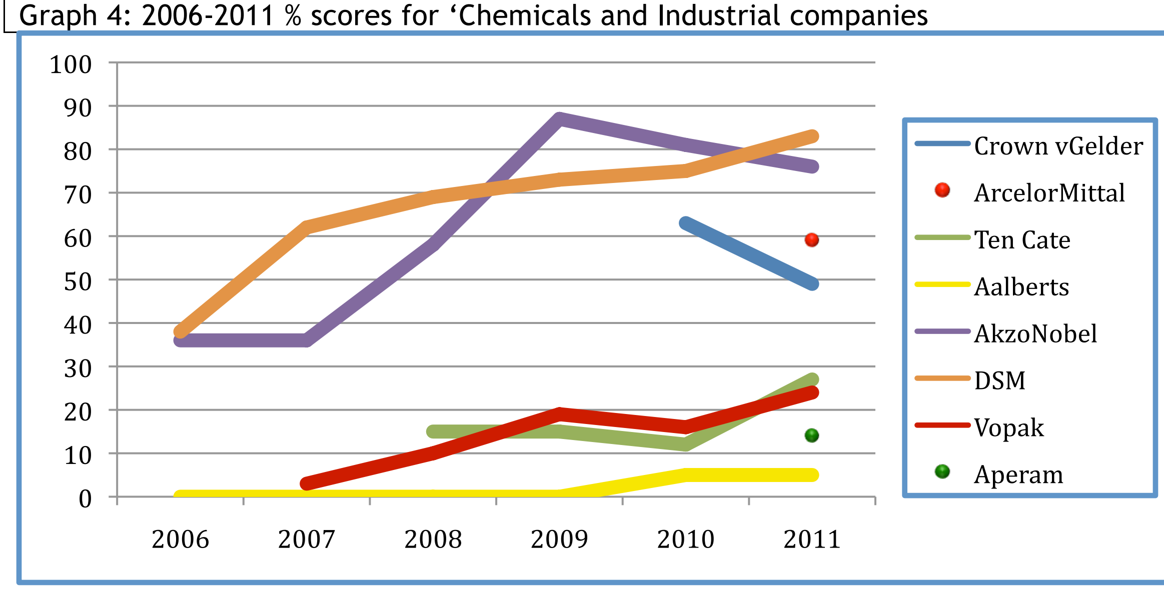
Total score: 16/59

3.4. 'Chemicals & Industry'

Both chemical companies are in the top five of this benchmark and score significantly higher than the (other) industrial companies. The two chemical companies, AkzoNobel and notably DSM, show a strong integration of strategy and sustainability. Life Cycle Analyses (LCA's) are common practice, and are applied to avoid the negative impact along the chain. These two companies also witness a growing, substantial part of their revenue attributable to sustainable product lines. Both companies also have a exceptionally high proportion of suppliers signing compliance: next to AkzoNobel and DSM, only Philips reports more than 90% of compliance with the supplier code.

ArcelorMittal, in its first year of being included in this research, shows the highest score with 59%. A traditional low-performer on this benchmark is Aalberts Industries, showing meagre improvement in its score over the years. Although the industry sector companies mostly have a supplier code in place, the follow-up management such as monitoring and non-compliance matters are not reported. The chemical sector is much further in this respect, which is one of the main reasons why these companies score so well on the benchmark. Crown van Gelder's falling score should most probably be seen as a correction and a change in reporting. Hence, the VBDO hopes to see them return to their 2010 ranking.

Graph 4: 2006-2011 % scores for 'Chemicals and Industrial companies



3.4.1. Royal DSM

Governance and Vision – 7/7
Feike Sijbesma, Chairman of the Managing Board is the primary focal point when it comes to sustainability, supported by the Corporate Sustainable Development department. Other members of the Managing Board chair different sustainability-related projects and areas. DSM's strategy specifically comes forth from stakeholder dialogues in which it identifies the strengths and weaknesses in DSM's current network of stakeholder relationships and provides the company with a structured agenda for intensifying its dialogue with key groups. Moreover, DSM acknowledges the need for more sustainable products as one of the findings in the trend analysis. DSM has a core values system present.

Policy – 15/17
DSM has a clear supplier policy, based on the code of conduct. The code states that: 'DSM believes that sustainability implies a responsibility to involve our direct and indirect (production-related and non-production-related) suppliers, contractors and agents'. So far DSM states it did not have to end any contracts because of non-compliance. DSM has a program in place to monitor suppliers that involves a three-step approach. First, a Supplier Code of Conduct sets sustainability guidelines for suppliers. Second, supplier self-assessment questionnaires allow them to measure their activities. Third, supplier audits are used for large or high-risk suppliers, based on spend, country, cluster/category type, security of supply and specific business risks. In this analysis critical and high-risk suppliers are one. Unfortunately, the actual results of the supplier questionnaires are not available.

Management – 27/35
DSM performs Life Cycle Assessments (LCA's) that should reveal the environmental performance of products during and beyond their life cycle. These assessments can also be used to compare the eco-performances of different products in the same application. They help identify ECO+ scores and minimize products' eco-footprints. In this light, it might be concluded that DSM continuously invests in redesigning production processes to avoid or even eliminate the use of scarce commodities. Additionally, DSM is very involved in logistical improvement, however the company publishes only qualitative data.

In the 2010 Annual Report DSM clarifies that as of 2011 it will request a third-party auditor to execute approximately twenty supplier audits to further secure the high quality of its audit procedure and ensure that the outcome of these audits is undisputable. Suppliers are scored A, B, C, or D. No supplier scored a D, however the companies that scored a C were enrolled in a follow-up program. More than 90% of suppliers signed the Supplier Code of Conduct.

To maximize the chance of success of its Base of the Pyramid (BoP) activities, DSM works in partnership with international organizations, and local and international non-governmental organizations and government bodies, and also with multinational and local companies to develop food fortification products that meet the needs of specific target groups. Moreover, it has a partnership with the World Food Program. Two products have been created through this system so far. DSM is very involved in the concept of ‘cradle-to-cradle’ and currently produces five performance materials that have been awarded Cradle to Cradle® certification. The company does not publish the percentage of sold products, which actually have been taken back. DSM has formulated and has shown progress on upstream sustainability KPI’s but has not clearly formulated downstream sustainability KPI’s. However, the company does describe some KPIs that clearly involve the whole value chain.

Total score: 49/59

3.4.2. AkzoNobel

Governance and Vision – 6/7
AkzoNobel has integrated sustainability into its overall strategy and has performed analysis to identify trends and opportunities. ‘Mega trends’ were identified at supply, company and customer level and they created strategic partnerships with key suppliers. However, the company’s strategy could be more aligned to include the supply chain. AkzoNobel has a sustainability council, reporting to the board of management and also including representatives from the board of management. The company’s employees are governed by a company core value system.

Policy – 12/17
AkzoNobel has a Vendor Management Framework that lays out the supplier code of conduct for which suppliers have to sign a Vendor Compliance Letter. Both documents are available on its website. It is not clearly stated that the Framework is aimed at second-tier suppliers as well, but it does note that they appreciate suppliers to use AkzoNobel’s code of conduct as its own.

AkzoNobel established the ‘Supplier Support Visits’ program in which it identifies and nurtures critical suppliers. This program identifies what needs to be improved in the vendor’s operation, and creates an improvement program, including specific know-how to overcome non-conformities. The vendors are revisited after 6 months. If suppliers do not comply after 2 years maximum, business with these suppliers will be discontinued. This is all verified by internal staff of AkzoNobel.
High-risk suppliers are not explicitly named, but in the ‘Supplier Supports Visits’ critical suppliers are identified in each region. Most likely the terms high-risk and critical are used interchangeably.

Management – 27/35
AkzoNobel tries to stay one step ahead of sustainability demand and has created products that are for example biodegradable. The company publishes information on cradle-to-gate CO2 emissions, but only the percentage decrease, not where it came from. AkzoNobel publishes sourcing data, which includes the ‘Supportive Supplier Visits’ (SSVs), however main information on the website is from 2008. In 2010, 253 SSVs have been brought. Even though AkzoNobel states that after 2 years of non-compliance operations with a supplier will be discontinued, actual non-compliance examples are not given. The annual report states, in relation to educating purchasers on sustainability, that in 2010 the AkzoNobel Procurement Academy trained more than 250 purchasers in strategic sourcing methodology and negotiations and influencing in

various parts of the world. AkzoNobel tries to be an initiator in the development of strategic cooperation agreements for sustainable solutions within the entire supply chain, by initiatives such as the 'Key Supplier Program'. AkzoNobel attunes its products to the demands arising from emerging markets, mainly in distribution systems. It tries to create distribution systems with local organizations. The company has a waste management system in place and products are partly made of degradable resources.

Total score: 45/59

3.4.3. ArcelorMittal

Governance and Vision – 5/7
Sustainability, quality and leadership are the core values of ArcelorMittal's business. The company has drafted a stakeholder map, which identifies key stakeholder issues, why stakeholders are important to the company and vice versa, and how the company stakeholder engagement can be established.

Policy – 12/17
ArcelorMittal aims its Code for Responsible Sourcing not only to its suppliers, but mentions that it strongly encourages suppliers to promote the requirements in their own supply chain as well. Code compliance is monitored in the form of self-assessments, site visits, and follow up on remediation plans. The monitoring is not independently verified. Gaps that are found in compliance will be addressed and where possible the company will work together with the supplier to improve compliance. However, ArcelorMittal has the right to disengage from suppliers that do not meet the requirements or cannot provide or commit to an improvement plan. The monitoring is focused on those parts of the supply chain where the risk of not meeting the requirements of the Code is highest and maximum improvement can be made.

Management – 18/35
Research and Development (R&D) activities were, next to usual value creation, one of the focus points for technological and environmental benefits in 2010. Moreover, the company recognizes that steel and sustainability are inextricably linked and steel is one of the key ingredients for a sustainable future. Even though ArcelorMittal publishes non-compliance measures, no examples of actual non-compliance are given. Nor are the percentages of carried out inspections, the percentage of educations coverage, or the percentage of suppliers that signed the supplier code published.

Emerging markets are a big part of ArcelorMittal's business, both in production as well as in sales. The company offers special training to hires in these markets and realizes the risks of being present in these markets. The company publishes many internal recycling data, qualitative and, although in lesser amount, quantitative. However, no data on end-of-life stage product recycling was published.

ArcelorMittal publishes a KPI table in the Corporate Responsibility report 2010. This table concerns: investing in its people, making steel more sustainable, enriching our communities, and transparent governance. The company has established criteria per subject; quantitative and qualitative outcomes, and the progress of the KPI is.

Total score: 35/59

3.4.4. Royal Vopak

Governance and Vision – 2/7
Vopak strives to conduct a well-structured dialogue with its stakeholders to align its sustainability policy and therefore it states that it is in regular contact with its key stakeholders. Key stakeholders identified by the company are employees, customers, suppliers and neighbours. Even though stakeholder dialogues are regularly held, sustainability analyses and supply chain trends and opportunities are not made public nor included in its overall strategy. It is not made clear who is responsible for sustainability and supply chain related issues.

Policy – 6/17
All Vopak employees are required to sign the Code of Conduct and have to act in accordance. The suppliers of Vopak have to act in line with Vopak's Code of Conduct, Fundamentals on Safety and its Sustainability Policy - which is not publicly available anymore. This has been one of the commitments the company promised to make in the 2009 Sustainability Report and during the 2010 Annual Shareholder Meeting. This commitment is put forth through the General Terms and Conditions.
Vopak states that it will end any commitments with suppliers if the company finds that a supplier is not acting in accordance with the Code of Conduct. Before starting a relationship with prospective suppliers, they will be audited selectively. However, no compliance audits will occur amongst existing suppliers unless there is an obvious reason to do so. No corrective actions have been taken yet.

Management – 6/35
The company tries to minimize business related travel. Moreover, reducing logistical distance is an integral part of business. However, no quantitative data on these matters are presented. In the Sustainability Report 2010, it is stated that Vopak does not (yet) report on the percentage of materials used that are recycled input materials. Nor is anything else published on recycling. Vopak does not mention emerging markets or alternative (innovative) ways to conduct its business.

Vopak does not directly educate its suppliers by on sustainability issues, but through its General Terms and Conditions and the company's Sustainability Policy. Vopak presents itself as if it is steering its management heavily into a sustainable state, but are not able to publish much evidence of the policies in place yet.

Total score: 14/57

3.4.5. Royal Ten Cate

Governance and Vision – 3/7
Trends such as safety and protection, sustainability and the environment are central to the strategy of (Royal) Ten Cate. Themes are derived from these trends, and the company argues it aims to find answers to these trends and themes throughout the

value chain. Although the company's strategy is focused on value chain management, not all links in the supply chain are clearly identified and discussed. Moreover, stakeholders are mentioned, but not specifically identified.
Ten Cate has a Code of Integrity in place, laying out the company core values. It is required from the employees to sign the code. Compliance with this code is checked by a Compliance Officer.

Policy – 5/17
Ten Cate has one Supplier Code, solely for the Protective Fabrics division. It does not have a company-wide Supplier Code. Ten Cate does not consider it necessary to have a Supplier Code for the sector Geosynthetics & Grass, nor for the other divisions within the Advanced Textiles & Composites sector. The company argues that it has separate agreements with suppliers in these other units, or they are not required since their suppliers already have stringent supplier codes in place. The protective Fabrics division's supplier code covers ethical guidelines concerning human rights issues. This code does not set environmental standards. When a supplier fails to comply with this code, Ten Cate Protective Fabrics refuses to do business with these companies. Or in some other situations it will work with the failing suppliers to improve its business practices.

Management – 8/35
The company is offering a range of sustainable solutions, for example through the use of lightweight composite materials (that are used in amongst other products the automotive and wind energy sectors) and the production of products that will have a reduced consumption of energy and raw materials. One of Ten Cate's plans of actions in 2010 was to focus more on emerging markets and create partnerships in these markets. This plan of action has proven to be successful. However over 2011 it hopes to contract more local partners and improve its potential.

Ten Cate does not have key performance indicators related to sustainability and the supply chain yet. Nonetheless, 'reinforcement of the concept of sustainability and introduction of measurable performance indicators' is one of the goals the company has set for itself over 2011. All sustainability and supply chain data published are (solely) qualitative.

Total score: 16/57

3.4.6. Aperam

Governance and Vision – 3/7
Aperam's Sustainability, Performance and Strategy Committee is led by three members of the board of directors and has responsibility for (all) sustainability issues within Aperam. The company does identify trends, however these are cost, growth and demand related. Aperam's strategy is set up in growth, efficiency and sustainability, hence this would imply that sustainability is important to the company.

Policy – 0/17

Aperam does not have or does not publish a Supplier Code. They do not identify high-risk nor critical suppliers, however throughout the Annual Report 2010, suppliers with which Aperam has long-term contracts, are described.

Management – 5/35
Aperam has realized that it is of importance to develop products that use less (scarce) resources, both in production as well as in use. One example is a metal that is used in solar panels, another is the use of a biomass product (charcoal) that is used in production.

Beside the lack of a Supplier Policy being available, Aperam does not publish any information on supervision, education, coverage etc. However, it *seems* that the purchasers are educated in sustainability through the General Purchase Conditions under the heading 'Quality, Safety, Sustainability Development'.

Emerging markets are a big part of Aperam's business. One of ArcelorMittal's arguments for spinning off Aperam was to 'pursue its growth strategy as an independent company in the emerging markets'. Moreover, it produces a major part of its steel in and for emerging markets. Recycling is a significant part of some production processes. However, Aperam does not present any quantitative data and the data available are solely from the company level.

Total score: 8/59

3.4.7. Crown van Gelder

Governance and Vision – 4/7
It is not clear who is responsible for sustainability and supply chain related issues within Crown van Gelder (CVG). The company does include sustainability into its overall strategy, through ensuring corporate social responsibility and sustainable operations. Moreover, a trend analysis includes clients and suppliers by means of the topics of moving operations towards BRIC countries and making its energy-usage in Western Europe more sustainable. Stakeholder management is an important part of CVG's management and information collected from stakeholder dialogues are a focal point in its sustainability and supply chain management.

Policy – 12/17
CVG has a Supplier Code consisting of its own Code of Conduct. This Code includes indirect suppliers as well, and the Code is quite complete in terms of substance. Compliance on the code is checked regularly by periodical supplier assessments. And there is special attention for key suppliers.

Management – 13/35
Crown Van Gelder sets goals for sustainable paper sales and implies that all the paper is recyclable, but does not go into detail about its product R&D programme. CvG does not use recycled paper for its products – though it is 'looking in to it'. Supply chain emissions and transport efficiency are not included in the report. The company supervises its suppliers through its sustainable purchasing policy, based on the code of conduct. It is not clear what proportion of suppliers is monitored or complies with the

code. Sustainable products are provided for its customers, and CVG actively promotes these. It has formulated upstream and downstream KPIs, showing progress.

Total score: 29/59

3.4.8. Aalberts Industries

Governance and vision: 1/7
Aalberts' core values are unambiguous, especially regarding its own employees and its customers. However, the company's suppliers and any policy regarding responsible supply chain management are not explicitly mentioned. It is unclear by whom and where in the organization the responsibility for supply chain and sustainability issues are held. For example, Aalberts identified its key stakeholders, but without much detail, which makes it uncertain to what extent the company actively involves stakeholders.

Policy: 0/15
The 2010 annual report contains statements about employee safety and minimizing environmental impact. Besides the mentioned plans and goals, Aalberts' reporting is poor in the width and depth of the information provided. Aalberts has not established a supplier code yet. By implementing (and upholding) a supplier code, Aalberts could substantially improve its responsible supply chain management. Aalberts has the intention to form strategic partnerships with local suppliers and buyers, but does not seem to have a fully established policy yet.

Management: 2/16
Identical to last year, Aalberts has formulated (merely) an intention to research and develop current production methods, in order to become more energy efficient and minimize environmental harm through its operations. Quantified goals, indicating improvement, are an important part of managing supply chain responsibility.

Total score: 3/59

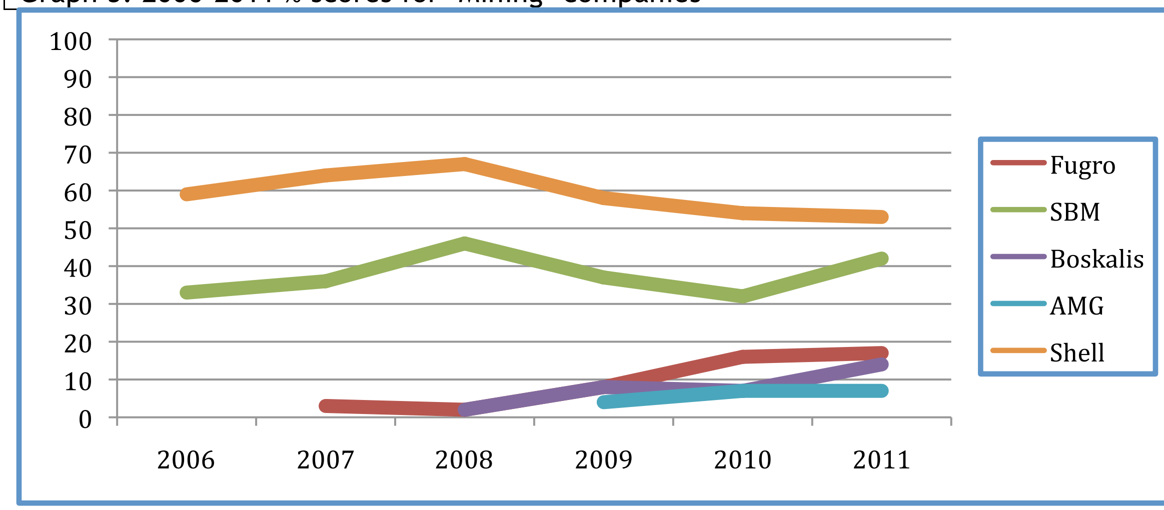
3.5. 'Mining'

The companies within this group encounter direct environmental and societal issues at their core business activity. On the one hand, the extraction of resources, be it crude oil, natural gas, sand, metals or any other resource, often has a direct impact on ecosystems and biodiversity. On the other hand, the worldwide activities of these companies often occur in countries where legislation and labour standards are not as stringent as in the country of origin, which puts extra responsibility in the hands of these and many other companies in their sector. Scarcity and environmental burden imply an often increasing difficulty to secure a stable supply at stable prices. This pressure is a factual driving force of innovation and cooperation towards sustainable solutions.

Shell stands out for its most comprehensive policy. Only Fugro, SBM and Shell have a supplier policy in place, with a subsequent supplier code to match. Fugro, alas, does not provide insight into its monitoring method and non-compliance policy. SBM and Shell do, but the former company with a higher degree of detail than the latter. SBM audits suppliers of critical commodities every three years, rates its critical suppliers and reports on its corrective actions. Although Shell reports on these matters as well, it seems to be on a much more incidental and hence, less structural base. On the other hand Shell invests substantially in R&D, in order to “unlock energy sources more sustainably”, developing alternative energies, and carbon capture and storage.

Regarding the management of the supply chain, Shell reports more on results than the other companies do, but fails to score the maximum points on the majority of criteria. In terms of sector wide initiatives, Boskalis actively exchanges ideas with suppliers in order to find sustainability solutions, such as optimal routing avoiding heavy weather, and the reduction of GHG emissions.

Graph 5: 2006-2011 % scores for ‘Mining’ companies



3.5.1. Fugro

Governance and vision - 2/7

Fugro states to value sustainability and transparency, but it could be further specified how the CSR activities contribute to the company mission and strategy. The company aims to strengthen the coherence of its CSR policy by providing a framework to its subsidiaries on how to implement the various aspects of CSR. The guideline for this framework is the ISO 26000 standard. Similar to last year, Fugro does mention sustainable business opportunities, such as the use of alternative energy sources like solar, wind, biofuels, tidal and nuclear energy. However, market size, share or potential are not quantified.

Policy - 6/17

Fugro makes use of its so-called Business Partner Code, which requires suppliers and subcontractors to comply with the Fugro General Business Principles. Both documents are published online. The company states that, “in 2011, the Business Principles, the Business Partner Code and other relevant policies and standards will be integrated in a Corporate Social Responsibility Management System”. Despite the existence of a supplier policy and supplier code, it is not clear how Fugro monitors its suppliers’ compliance. Regarding high-risk suppliers, Fugro states that it endeavours to keep in balance “the limited or lack of local regulation and legislation in some countries and the high standards the organisation wishes to pursue”. When investing in R&D, Fugro states to consider the balance between improving the quality of its equipment and the issues of fuel use, emissions and cost management.

Management -2/35
Fugro has made it its goal that by the end of 2011 all large, operational subsidiaries will have a certified environmental management system according to ISO 14001 or equivalent. By the end of 2010, 60% of these subsidiaries were certified. Additional KPI's are not stated, neither upstream nor downstream. Fugro does not state what percentage of suppliers complies with the code and provides very little quantitative data on its responsible supply chain management in general.

Total score: 10/59

3.5.2. Royal Boskalis Westminster

Governance and vision – 2/7
In 2011 Boskalis Westminster published its second CSR report. It is not clear how does responsibility for sustainability matters is embedded in the organization. The company engages actively with stakeholders and published examples of meetings and subsequent outcomes. Major sustainability trends facing Boskalis Westminster have not received much attention; even though the company states in its 2010 CSR report that climate change will be one of the drivers of the demand for its services(!). An example of that is its project in the Maldives, where the coastal defence has been strengthened to face climate change challenges.

Policy – 0/17
The 2009 report stated that Boskalis Westminster made an initial estimate of the number of suppliers and wanted to introduce criteria for enhanced supplier selection. In the 2010 report, these were not added yet. Hence, a supplier code, a monitoring method and a non-compliance policy still seem to be part of the (near) future at Boskalis Westminster.

Management - 6/35
Innovation projects that promote sustainability seem to be on a random basis rather than part of structural programs. The company can also elaborate more on its supplier training and cooperation, because the 2010 report does not report clearly on these subjects. Boskalis and a number of its suppliers exchange ideas and pool innovations in the interests of sharing cost reductions and sustainable product development. Even though Boskalis Westminster perceives the supply chain a focal area for sustainability, upstream and downstream KPI’s have not been formulated.

Total score: 8/59

3.5.3. SBM Offshore

Governance and vision – 1/7
SBM offshore has a Code of Conduct since 2007. Although the company publishes a sustainability report, it is not clear whether sustainability is integrated into the overall strategy. Relevant trends that affect the supply chain are not listed, and stakeholder engagement is mentioned very briefly.

Policy – 15/17
Information on how SBM Offshore deals with suppliers is limited. The CSR report states that the company does not tolerate child or forced labour and does not support or work with companies that sustain forced or compulsory labour. However, the company conducts activities in Myanmar. The CSR report states that this requires continuous and transparent auditing of the Company's suppliers and sub suppliers in that country. So there are some standards in place and monitoring happens on a limited scale. The company has identified high-risk suppliers in a specific country.

Management - 9/35
SBM Offshore is pursuing several initiatives to leverage its in-house expertise to develop large-scale systems that respond to the need for energy demand in an environmentally sustainable manner. The company does not provide information on emissions in the supply chain.

The activities in Myanmar require continuous and transparent auditing of the company's suppliers and sub suppliers in that country. There is no information given on the results of these audit activities. The CSR report states that SBM Offshore cooperates with suppliers to jointly improve social and environmental performance. There is no information on the percentage of suppliers that is included in these activities or whether activities happen on a structural basis.

The company does not provide information on the education of purchasers. It is offering sustainable solutions to customers and has recycling activities in part of its business. The company increasingly focuses on emerging markets, through its Local Content strategy. The sustainability report provides examples on projects in Angola and Equatorial Guinea, where business opportunities result in a positive impact on the local workforce and economy as a whole. There are no clear sustainable supply chain oriented KPIs.

Total score: 25/59

3.5.4. Royal Dutch Shell

Governance and vision – 5/7
Overall accountability for sustainable development within Shell rests with its Chief Executive Officer and Executive Committee. The company states that sustainable development underpins its strategy, reflected through the production of cleaner burning natural gas, investing in biofuels that are more sustainable, technology to capture and store CO2 and energy efficiency improvements.

Policy – 9/17

Shell expects suppliers to comply with its Business Principles, Code of Conduct and HSSE standards, which are all available online. Shell does monitor suppliers and indicates a distinction between higher and lower risk countries, but it is not clear how this approach is structural or incidental. Indirect suppliers are not mentioned in the reported chapters on supply chain policy.

Management - 17/35
Shell spent $1.0 billion on R&D, developing alternative energies, and carbon capture and storage. Furthermore, the company pledged $25 million to support a five-year research partnership with Massachusetts Institute of Technology, researching biofuels, nanotechnology and CO2 management. Overall, Shell attempts to improve energy efficiency and reduce greenhouse gas emissions at all its operations. In the sustainability report Shell states that in 2010, the code of conduct was violated 205 times and subsequently cancelled 40 contracts. During the year, the company conducted 34 audits of risk-suppliers to assess their compliance. It is not stated what percentage of suppliers and subcontractors is covered by audits. Shell does not specifically attune its sales to emerging markets. Shell specifically recycles (fresh) water in its processes, but does not report quantitatively on any other recycling activities. Downstream, Shell encourages drivers to use less fuel through economical driving.

Total score: 31/59

3.5.5. AMG

Governance and vision – 0/7
AMG did not publish a sustainability report this year, in contrast to 2010. Its annual report contains a sustainable development chapter, with quantified GRI indicators such as resource efficiency and CO2 emissions. It is unclear whether the company has a structural policy when it comes to sustainability, and at what level responsibility lies.

Policy – 0/17
The company does not have a clear policy on responsible supply chain management.

Management - 4/35
AMG targets to serve the ‘green economy’, by acting as a key link in the supply chain for the solar, nuclear, advanced materials and recycling industries. Also, AMG tries to measure and minimize the environmental footprint resulting from its own manufacturing operation, but no quantified KPIs are formulated. AMG’s activities include the Canadian tar sands, where it extracts from the tar sands in cooperation with oil companies, whereby recycling and to some extent ‘cleaning up’ or improving oil companies’ operations – but AMG does not publish any details on these operations.

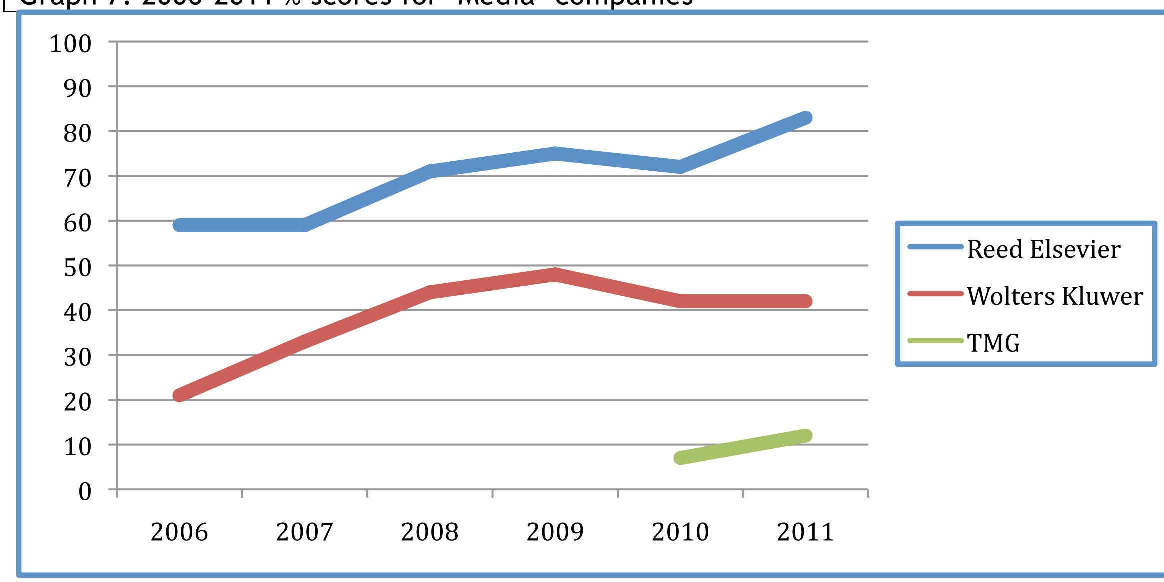
Total score: 4/59

3.6. ‘Media’

The supply chains of the media sector require a vast consumption of energy, water, paper, and chemicals such as bleach and ink. Because of the constant demand for paper, a recycling policy has been at least partially implemented by all three companies. The scores on the benchmark distinguish a clear high, middle and low performer in this sector. Reed Elsevier has the most sophisticated supply chain management, and looks beyond its own business partners by including second-tier suppliers as well. Furthermore, Reed Elsevier provides extensive quantitative performance indicators and shows clear improvement, where the other two are more ambiguous in communicating their performance.

All three companies highlight the growing demand for sustainability related content, and attempt to tap into this market through their product portfolios. However, no market share or market growth numbers are specified. Wolters Kluwer established a Human Rights Code, which guides suppliers. Due to the single focus on human rights, other sustainability factors are not included in its responsible supply chain management. This is surprising, because this sector's supply chains consume relatively large amounts of energy, water and timber and hence has a large environmental footprint. Reed Elsevier is a founding member of PREPS, a publisher sector initiative that promotes sustainable paper supply chains. Wolters Kluwer and TMG follow sustainable logging initiatives, but only on a fragmented basis and thus not at corporate level.

Graph 7: 2006-2011 % scores for 'Media' companies



3.6.1. Reed Elsevier

Governance and vision - 5/7

Reed Elsevier is one of this year's biggest risers in score, an achievement which is applauded by the VBDO. It has incorporated sustainability responsibilities into its Executives' performance objectives, making it part of the company's bonus plan. The company, compared to last year, included a trend analysis in its sustainability report, but does not go into depth about how trends and opportunities affect its supply chain.

Hence, there is still room for improvement in identifying the business case for responsible supply chain management.

Policy – 17/17
Overall, Reed Elsevier has a sound policy regarding its suppliers, including identification of risk, auditing on site, and a stratified approach to dealing with non-compliance. The supplier code needs to be signed by suppliers and covers human rights and other social indicators, as well as environmental ones. In contrary to last year, Reed Elsevier included critical suppliers in its policy. The company states that around 60% of its critical suppliers comply with the code. Reed Elsevier has a Socially Responsible Supplier (SRS) programme, which includes a supplier database with relevant information regarding risk and compliance. Risk suppliers are identified with a scorecard and are subsequently labelled a certain risk ranking. It considers high-risk suppliers “those operating in areas where human rights, labour, environmental, or other abuses have been known to occur. It does this by analysing data from the Corporate Executive Board’s Global Country Analysis Support Tool (GlobalCAST); human trafficking information from the US State Department; and results from the Environmental Performance Index (EPI)”.

Suppliers with repeat Supplier Code violations are audited annually. In regard to transparency, the company publishes samples of non-compliance and remediation reports. Reed Elsevier joined the Publishing Industry Product Safety Forum (PIPS) in 2010, which established a common approach to gathering product safety data from suppliers regarding the chemical components within ink, varnishes, laminates, adhesives, and other finishes applied to paper and board with a chemical make-up.

Management - 27/35
Reed Elsevier specifies how many times non-compliance occurred (43 cases in 2010, and gives examples on how non-compliance was followed up. In 2010 the number of suppliers in the SRS Programme increased to 606. Of these suppliers 126 are considered high-risk. 60 % of the suppliers in the programme signed the Code of Conduct, but it remains unclear what percentage of all suppliers is included in the Programme. Reed Elsevier invites all 606 tracked suppliers for training sessions on sustainability issues, but it is unclear what percentage of suppliers participates. By not stating the proportion of compliant suppliers and participating suppliers in its training sessions, the company misses out on 2 points on each of these criteria. Reed Elsevier has set goals on upstream supply chain activities, which should be accomplished by the year 2015, and reports to on schedule. The company highlights its sustainability related publications within its portfolio, but does not further specify whether these publications are part of a structural marketing plan.

Total score: 49/59

3.6.2. Telegraaf Media Group

Governance and vision – 1/7
Last year TMG received very little points due to the development phase of its sustainability policy. It seems the process of development still goes for this year, as the company marginally improved its overall score on the benchmark. During the

previous shareholder meeting, the company stated that sustainability is in the portfolio of the CFO, but this cannot be verified through any public information. Basic policy making steps such as a sustainability, or supply chain trend analysis and stakeholder identification have not been performed yet. TMG is working on the implementation of GRI-reporting, although its 2009 report stated that its GRI would kick off in the 2010 report.

Policy – 2/17
TMG states that corporate social responsibility is taken into account when it comes to selecting suppliers, although there is no formal supplier code or policy. The VBDO is looking forward to the implementation of these crucial procurement tools. TMG mentions to work with a select group of preferred suppliers that have a strong CSR-profile.

Management - 4/35
Printing newspapers and magazines has a large environmental impact, both indirectly, through the consumption of energy, water and timber in the production of paper, and directly, through the consumption of energy, water, ink and paper in the printing process. Out of the tonnes of paper TMG uses to print its newspapers on, 40% was recycled. Furthermore, only a subsidiary (Keesing Group) worked with FSC-paper. Next to printed media, its carbon footprint mainly stems from office operations and the distribution processes. TMG has the ambition to reduce this impact, but does not provide (quantitative) goals. TMG recognizes market potential for its 'green' publications and plans to continue increasing the amount of sustainability related content.

Total score: 7/59

3.6.3. Wolters Kluwer

Governance and vision – 3/7
Wolters Kluwer sets sustainability goals for its Executive Board and provides financial rewards for reaching these goals. A trend analysis was made, extensively covering topics such as the environment and the labour market. The report, like last year, lacks a clear and comprehensive stakeholder analysis.

Policy – 11/17
Wolters Kluwers' supplier code is included in its Human Rights policy. This policy was created to ensure that human rights are upheld in all business dealings. The articles of the United Nations Universal Declaration of Human Rights and the eight core labour standards of the International Labour Organization guide the policy. Somewhat surprisingly, the supplier code does not cover environmental indicators. This year, the report contains an analysis of high-risk or critical suppliers.

Management - 11/35
Wolters Kluwer shows progress in reducing business travel-related carbon emissions, but there is no clear policy to reduce indirect CO2 throughout the chain. Furthermore, there is no evidence that the company specifically aims its research and development at sustainable solutions. Of the Wolters Kluwer business units, 76% actively monitor

high-risk suppliers (compared to 81% in 2008), 67% apply internal audits and 17% apply external audits (last year this was 72% and 14% respectively). However, 71% of the businesses make corrective plans and track performance, where last year this was 80%. Like fellow publisher Reed Elsevier, Wolters Kluwer mentions sustainable products as a growing part of its revenue, and keeps it unclear whether these products are part of a structural marketing plan. Although actively making use of recycled materials, the company has not rolled out activities specifically focused on emerging markets, nor are there quantitative downstream KPIs.

Total score: 25/59

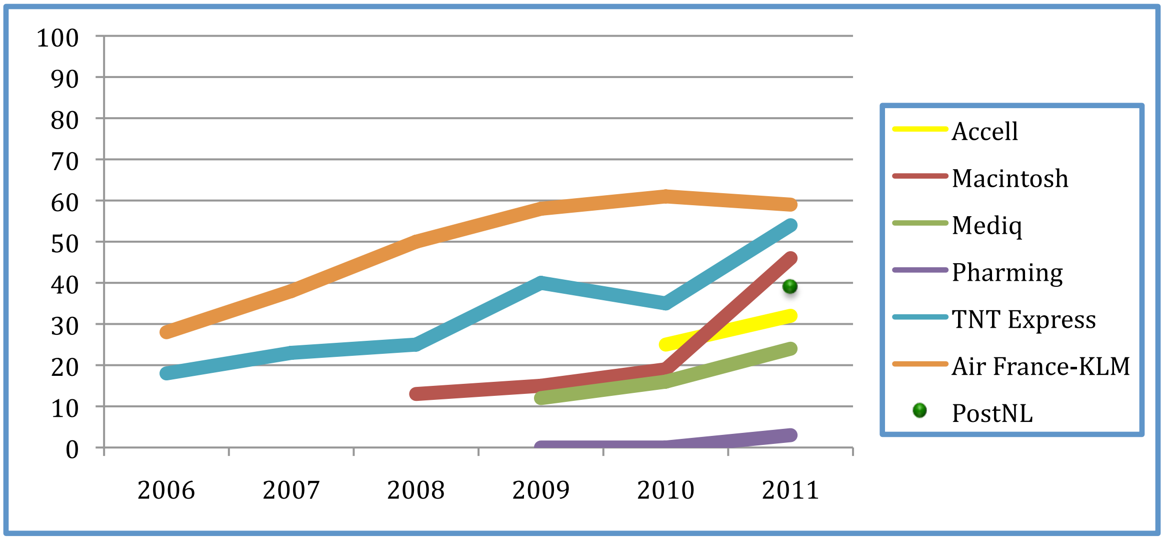
3.7. The 'Others'

The label 'other' was attached to this group of companies, because there were not enough (3-4) companies to make a reasonable 'sector' comparison. Still, it could be said that three very different companies operate in logistics, while two are in pharmaceuticals. Therefore the comparison will focus on these subgroups, instead of all companies together.

Spending most of their time literally on the road (or in the sky), a major sustainability issue for these companies are the direct emissions of carbon dioxide. The three companies included in this benchmark show advanced solutions in minimizing these emissions. Compared with the other companies, TNT Express stands out for having the most widespread education program for suppliers. Air France-KLM actively promotes social responsibility and environmental performance among buyers and internal business stakeholders. It is remarkable that none of these companies report on supervision or non-compliance, despite the fact that supplier codes are in place.

For the two pharmaceutical companies, it seems that sustainability has not grown into a strategy determining factor yet, as it is in many other industries. Due to the nature and purpose of its products, however, this sector stresses product safety as a key issue. Where Pharming scored zero points last year, it scored 2 points this year. This is due to the fact that it started reporting on who is responsible for Corporate Social Responsibility and Sustainability - followed by the introduction of a publicly available code of conduct. Mediq raised its score as well, from 9 to 14 points, which is due to the development of more sustainability and supply chain KPIs.

Graph 7: 2006-2011 % scores for the 'Other' companies



3.7.1. TNT Express

Governance and Vision - 5/7
At TNT Express, it seems that Corporate Social Responsibility and hence supply chain management rests at the CR council. This council advises, supports and assists the Board of Management in deploying CR strategy, provides guidance on the CR direction, issues and opportunities, and integrates CR in daily operations. TNT Express', people, planet and profit objectives could be interpreted as dealing with trends and are indirectly related to the customer level. TNT Express aims to lead the industry in the development of clean transport measures, in both its existing and growth activities. Hereby TNT Express meets the customer requirement for cleaner transport solutions and transparent information.

Policy - 11/17
TNT Express applies a (rather broad) supplier policy, based on its business principles, and requires its associates to comply. The objective of this policy is to provide a compliance standard that must be maintained by all TNT Express companies in its business relationships. The business principles apply the UN Universal Declaration of Human Rights, and an additional anti-corruption declaration has to be signed. Each TNT Express company is responsible for monitoring the compliance of its own existing suppliers. Every supplier must undergo complementary training in order to ensure legal compliance. Non-compliance must be reported to the Ethics Committee, which will report to the Executive Board advising on the proper corrective and/or disciplinary actions, if applicable. Non-complaint companies will have six months to implement the necessary corrective actions.

Management - 16/35
To TNT Express the impact of its operational activities on the environment is one of the key drivers of its CR Strategy. A logistics example of reducing environmental impact is TNT's City Logistics project. Through this project it tries to deliver smart zero emission solutions to customers in city locations and to improve sustainability in inner cities by reducing emissions, daytime noise and congestion, while protecting and

growing TNT's value. TNT Express did not publish anything on supervising results and actions on non-compliant suppliers. TNT recognizes growth opportunities in emerging markets and actively engages in responsible marketing.

Total score: 32/59

3.7.2. PostNL

Governance and Vision – 5/7
Before TNT was split up into PostNL and TNT Express, a CR Council was responsible for sustainability and supply chain issues. After the demerger of TNT in 2011, a CR Council was set up especially for PostNL. Through a list of opportunities it is clear what the main sustainability trends for the key markets on which the company operates are and which therefore are paramount in determining the company's capacity to create value or prevent value from being lost. The identified trends are integrated into the overall strategy, but not on a stakeholder level.

Policy – 5/17
PostNL has developed the Sustainable Supply Chain Policy which has to be signed by every supplier, however, this policy is not available online (yet). Subsequently, a rough description of what is written in this policy is given online, defining some human rights and environmental guidelines, but no specific information. Furthermore, nothing is published on non-compliance and identifying high-risk and critical suppliers.

Management – 13/35
PostNL publishes online: 'We cover considerable distances to get your letters and parcels to their destination. This inevitably impacts the environment, mainly due to carbon emissions. To minimize the adverse effects of our activities our first consideration is improving carbon efficiency.' Suppliers and (sub)contractors are required to sign-off the Set of Guidelines described in the Sustainability Supply Chain Policy. PostNL has the right to carry out inspections on deliveries for compliance with statutory provisions or other specifications agreed between the parties. To educate suppliers PostNL shares best practices. No specific KPIs concerning the upstream supply chain are given. It is reported that the guidelines concern the relevant social and environmental issues, such as child labour, freedom of association, and hazardous substances, but no quantitative goals are set or made public.

PostNL is not an initiator in the development of strategic cooperation agreements for sustainable solutions within the entire supply chain, as sustainability solutions are more focused on the company rather than the supply chain. The General Conditions of Purchase note that 'the Supplier warrants that no substances were used in the provision of goods or services that are considered by Dutch or international legislation as being harmful to humans, the environment or property.' Making purchasers aware of sustainability policies. The TNT Group annual report 2010 describes Mail's (now PostNL) waste management system quite extensive, as it is an important focus point. This includes qualitative and quantitative data. Describing that improvements in suppliers' data collection have resulted in an improvement in the recyclable waste percentage, and providing its customers with key information on the actual numbers of prints needed for advertising, thereby reducing unaddressed mail.

Total score: 23/59

3.7.3. Air France-KLM

Governance and Vision – 5/7
Air France and KLM's CSR departments are each responsible for policy and deployment in their own organizations. CSR responsibility lies with executives at the board level. Senior management sets priorities, which are implemented via unit action plans. Air France-KLM claims that CSR and sustainability are at the heart of their business and identifies trends in biofuels and emissions, but no evidence showing these assumptions has been published.

Policy – 10/17
Air France-KLM publishes a Sustainable Development Charter that follows UN Global Compact guidelines, laying out the rules that suppliers must comply with in order to do business with the company. This Charter describes that the supplier should promote the principles set forth in the Charter in dealings with its own suppliers, service providers and/or subcontractors. Moreover, suppliers are required to complete a registration questionnaire and should comply with the EU REACH (Registration, Evaluation and Authorisation of Chemicals) regulations on chemicals.

Air France-KLM tries to identify high-risk suppliers by asking them to provide information on sustainability, such as environmental licenses and location of production sites. When suppliers are selected they are monitored, but information on non-compliance is not included, neither on what they find in these audits. The rules setting in the Supplier Charter is minimal, they include some of the most obvious rules concerning human rights, labour rights and environmental rights, but they are only qualitative constraints. The rules of the Charter are laid out in one page.

Management – 20/35
Air France-KLM's primary focus is creating an integrated approach to procurement as part of a sustainable supply chain. The CSR report 2010 illustrates a very extended table including qualitative and quantitative environmental goals and in how far these targets are met today. Even though nothing is published on monitoring and non-compliance of suppliers that signed the Supplier Charter, the group states that it has the ambition to further improve the rate of CSR compliant suppliers. They have set supply chain KPIs. For example, the CSR report states that Air France-KLM aims to continue to modernize their fleet, contribute to aviation research, and encourage the entire supply chain to cut CO_2 emissions. Moreover, the company actively promotes social responsibility and environmental performance among buyers and internal business stakeholders in charge of formulation product specifications. These buyers have to sign a Code of Ethics and large part of them has participated in CSR training over the past year. In some emerging markets Air France-KLM has the AÏDA Programme (Assistance, Investment, Development in Africa), which educates locals so that in the long-term they can work for the company or its suppliers. KLM's catering division is currently working on the 'Waste to Energy' project, to create energy from catering waste, which would otherwise be incinerated. In 2010, dedicated facilities were

adapted to the specific needs of the catering division. Testing is currently underway with roll out planned for 2011.

Total score: 35/59

3.7.4. Mediq

Governance and Vision – 5/7
At Mediq the Executive Board has ultimate responsibility over CSR, operational responsibility lies with our Corporate Director Quality Assurance and Safety. The company identifies trends and publishes a SWOT analysis, these are on customer and supply chain level, but seem not to concern sustainability. In the 2010 Annual Report, Mediq has published Corporate Social Responsiblity KPIs which were drawn up together with its key stakeholders. Mediq intends to communicate more on these issues in both qualitative and quantitative ways. The company recognizes that it is important to incorporate stakeholders' view and interests in their business strategy. The document describing Mediq's core values, does however not include any clear indications of complying with human rights or environmental directives, but it does stress employees' obligations to adhere the law.

Policy – 1/17
In 2010 Mediq started with the implementation of a Code of Ethics for suppliers after an incident with insulin needles in 2009. This code represents the ethical and social standards with which it wants their suppliers to comply. This code is not publicly available and therefore it is unclear what the exact content of this code is. Nothing is published on compliance policies, nor are high-risk and critical suppliers identified.

Management – 8/35
Mediq is aware of the environmental impact and considers the subject as one of the company's sustainability KPIs. The company especially focuses on packaging, waste management, and transport. The company recognizes that its largest impact is on transport and focuses on decreasing the distances travelled through better planning. Downstream, Mediq does not focus on emerging markets, but patient care and safety form the main part of its downstream (marketing) activities. Mediq states to care much for recycling and is trying to make all packaging material on the B2B level recyclable, however no quantitative indication is given. The downstream KPIs do not include quantitative data.

Total score: 14/59

3.7.5. Pharming

Governance and Vision – 2/7
It is not clear who exactly is responsible for sustainability or supply-chain related issues, but the supervision of the board of management by the board of supervisory directors includes corporate social responsibility issues that "are relevant to the enterprise". The core values of Pharming are based on innovation, collaboration, prudence, timeliness, and passion and drive.

Policy – 0/17
Pharming does not have a public policy concerning suppliers.

Management – 0/35
Pharming does not publish any direct or indirect information on its (responsible) supply chain management.

Total score: 2/59

3.7.6. Macintosh Retail Group

Governance and vision – 2/7
Macintosh's CRIATE project, covering people, the environment, the supply chain and product innovation, is integrated in the overall company strategy. It is not clear whether the company has done a trend analysis or engages with stakeholders. The responsibility for sustainability or supply chain issues is not clearly reported.

Policy – 13/17
Macintosh tries to achieve transparency of the supply chain through a policy towards its suppliers, enabling it to monitor it in terms of corporate responsibility. As guidelines, it uses its own code of conduct and that of the Business Social Compliance Initiative (BSCI), which cover both social and environmental supplier performance. The company mentions the identification of risk countries, but it is not sure how much of total suppliers are from these countries. Macintosh Retail Group is collaborating with suppliers to reduce the use of harmful solvents and gasses that are converted into adhesives used in the manufacture of shoes and started an energy savings program, which started in 2010. However, it is not clear how the company aims to reduce the footprint of logistics and transport.

Management - 12/35
The company does not report what proportion of suppliers is audited, although it seems that all risk suppliers are audited through its BSCI membership. The Hong Kong branch took the initiative to audit 67 suppliers itself. Only the results from these Hong Kong audits are reported. In risk countries, a quarter of suppliers comply with the code. Although the company formulated goals, these are not to be reached within a given amount of time and are not quantified. It has educational programs for suppliers, but does not specify the number of educated suppliers.

Total score: 27/59

3.7.7. Accell Group

Governance and vision – 2/7
Accell Group attempts to respond to the important sustainability trends, as well as current global developments it identified, such as an ageing population, attention for the environment, and the societal concern about obesity, among others. These trends are integrated into the overall corporate strategy, but it is not sure how the supply

chain plays a role in this. The report mentions several stakeholders, but does not go into depth about how the company engages with them.

Policy – 11/17
Accell Group wants suppliers to ensure that their own contractors and suppliers adhere its Code of Conduct. Suppliers must authorize Accell Group “and its principals” to conduct scheduled and unscheduled inspections of suppliers' facilities for the purpose of ensuring compliance with the Code of Conduct. When violations are found, a corrective action plan that eliminates the problem in a timely manner is set up. After repeated violations, termination of business with the supplier in question is the final resort. There is no information on the identification of risk or critical suppliers

Management - 6/35
Accell Group tries to consciously design products that do not land on the scrap heap in a few years time, and by doing so, improving its positive impact on the environment. The company has set up an organisation in Asia for quality control and logistics support, ensuring that all transports are shipped in a compact and efficient way. Other than these examples, Accell does not discuss sustainable production or the reduction of emissions in the supply chain. Its reporting lacks quantitative data on sustainability and supply chain topics it discusses. To give the report more substance, the formulation of KPIs would be a welcome addition.

Total score: 19/59

4. RANKING AND ANALYSIS

The analysis of the results of this benchmark serves multiple perspectives: the CSR & investor community perspective, the company perspective and a general public perspective. Hence, next to company scores, sector scores and the changes over the past six years, are all part of this year's benchmark analysis.

4.1. Ranking

The benchmark scores are summarized in Table 2. Philips is the best performer, largely followed by the same companies as in 2010, although the order has changed somewhat, with DSM and Reed Elsevier back as runners up. Scores have improved slightly more than indicated in this table, due to the fact that the maximum score was extended from 57 to 59 points, and hence, all companies were 'set back' for 4% of their potential score.

In order of total score, BAM, Wavin, Macintosh, Ballast Nedam, CSM and Ten Cate improved their score by over 15%, which is applauded by the VBDO. An additional 16 companies also improved their practice significantly (by more than 3% - again, despite the 4% enhancement/'set back' of the benchmark in 2011). Therefore it can be concluded that most companies have improved their score from last year and hence strengthened their responsible supply chain management.

The occasional faller is difficult to explain, but has usually been caused by a change in reporting methods. Unilever's position, (falling 2 positions) is somewhat striking, regarding its promising Sustainable Living Plan, which was announced late 2009. However, the results from this initiative can hardly be expected to be formalised in such a short time span.

Table 2: Ranking Responsible Supply Chain Benchmark 2011

	Company	*Vision & Governance*	*Policy*	*Management*	Total	% 2011	% 2010	
1	Philips (Royal)	*5*	*17*	*34*	56	**95%**	93%	↑
2	DSM (Royal)	*7*	*15*	*27*	49	**83%**	75%	↑
2	Reed Elsevier	*5*	*17*	*27*	49	**83%**	72%	↑
4	Unilever	*7*	*16*	*25*	48	**81%**	86%	↓
5	AkzoNobel	*6*	*12*	*27*	45	**76%**	81%	↓
6	ASML	*3*	*12*	*27*	42	**71%**	72%	←
7	Ahold (Royal)	*6*	*14*	*21*	41	**69%**	72%	↓
8	BAM Group (Royal)	*5*	*13*	*21*	39	**66%**	51%	↑↑
9	Wavin	*6*	*14*	*17*	37	**63%**	46%	↑↑
10	Air France-KLM	*5*	*10*	*20*	35	**59%**	61%	←
10	ArcelorMittal	*5*	*12*	*18*	35	**59%**	-	
12	KPN (Royal)	*5*	*11*	*18*	34	**58%**	47%	↑
13	Heineken	*5*	*11*	*17*	33	**56%**	47%	↑
14	TNT Express	*5*	*11*	*16*	32	**54%**	-	
15	Shell (Royal Dutch)	*5*	*9*	*17*	31	**53%**	54%	←
16	Heijmans	*5*	*9*	*16*	30	**51%**	37%	↑
17	Nutreco	*5*	*10*	*14*	29	**49%**	44%	↑
17	Crown van Gelder	*4*	*12*	*13*	29	**49%**	63%	↓

19	Macintosh Retail Group	*2*	*13*	*12*	27	**46%**	19%	↑↑
20	Wolters Kluwer	*3*	*11*	*11*	25	**42%**	42%	←
20	SBM Offshore	*1*	*15*	*9*	25	**42%**	32%	↑
21	Ballast Nedam	*4*	*3*	*16*	23	**39%**	23%	↑↑
21	PostNL	*5*	*5*	*13*	23	**39%**	-	
24	TomTom	*2*	*9*	*9*	20	**34%**	30%	↑
25	Accell Group	*2*	*11*	*6*	19	**32%**	25%	↑
25	CSM	*6*	*4*	*9*	19	**32%**	16%	↑↑
27	Imtech	*3*	*1*	*12*	16	**27%**	16%	↑
27	Ten Cate (Royal)	*3*	*5*	*8*	16	**27%**	12%	↑↑
27	Sligro Food Group	*3*	*11*	*2*	16	**27%**	16%	↑
30	Vopak (Royal)	*2*	*6*	*6*	14	**24%**	16%	↑
30	Mediq	*5*	*1*	*8*	14	**24%**	16%	↑
32	Wessanen (Royal)	*5*	*3*	*5*	13	**22%**	21%	←
33	Fugro	*2*	*6*	*2*	10	**17%**	16%	←
34	Boskalis Westminster (Royal)	*2*	*0*	*6*	8	**14%**	7%	↑
34	Aperam	*3*	*0*	*5*	8	**14%**	-	
36	Telegraaf Media Group	*1*	*2*	*4*	7	**12%**	7%	↑
37	AMG	*0*	*0*	*4*	4	**7%**	7%	←
38	Aalberts Industries	*1*	*0*	*2*	3	**5%**	5%	←
38	ASM International	*3*	*0*	*0*	3	**5%**	5%	←
40	Pharming Group	*2*	*0*	*0*	2	**3%**	0%	↑

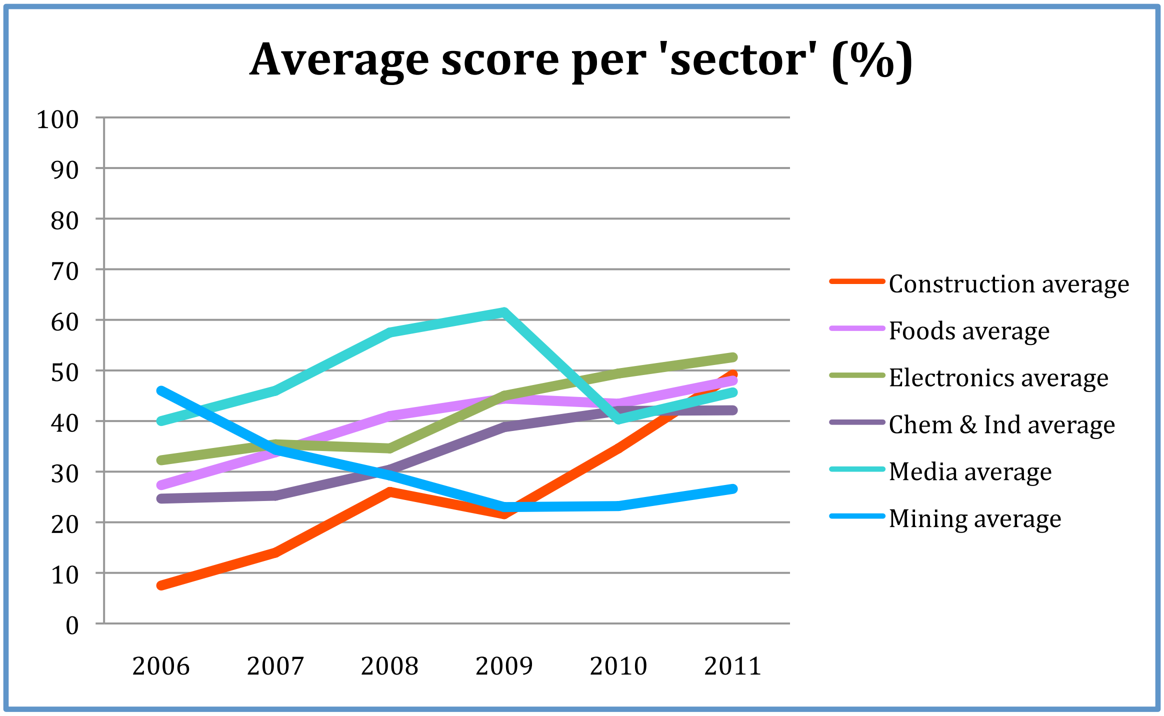
Legend	Risers & fallers	#
↑↑	15% up or more	7x
↑	3% up or more	16x
←	+-2%	9x
↓	3% down or more	4x
↓↓	15% down or more	0x

Particularly striking are BAM and Wavin, not only for having a solid performance score, but having made significant progress over multiple years – as indicated in Graph 3 on page 36. The segmented scores ('vision & governance', 'policy' and 'management') indicate to which extent 'paper' values are effected in published policy and practice. Looking at their segmented scores, Sligro, Wessanen, Fugro and ASMI might not be publishing what could be expected on the basis of their values and policy. Vice versa, ASML, SBM Offshore and Imtech seem to communicate relatively little on vision and policy compared to the extent to which good practice is executed and communicated – implying that it does not have or need a visionary or shared basis.

4.2. Analysis

The sectoral grouping has been functional in at least showing the progress among the building companies, as indicated by Graph 9. This sector has not historically been a frontrunner in (being transparent about) responsible supply chain management, but these companies are collectively improving their policies and performance.

Graph 9: Comparative performance of sectoral responsible supply chain management throughout 2006-2011



Note: The sectoral categorization is only adequate for some sectors' analysis - and not at all for the 'other' group, since too few homogeneous companies were available for sound analysis of their responsible supply chain management.

Even due to the 4% setback in 2011 and other tightenings to the benchmark due to methodological enhancements notably in 2008 and 2010, and again in 2012), rising trends are obvious for all sector categorizations. The downward shocks in the 'media', 'mining' and 'construction' graphs (above) are all due to newly included companies in this benchmark, with lower relative scores. Dominant upward trends are therefore a fact for all 'sectors', except for slight stagnation in the 'food' group. Some of these company scores (Heineken and slightly for Ahold and Unilever) were relatively stagnant over the past years - though all at relatively high absolute scores. Although this benchmark is dominated by the largest multinationals, operating in to great extent mature markets, and although performance between sectors ranges, scores vary strongly within sectors and among dimensions of the companies.

Attempting to capture more sectoral differences, a table (Appendix 2) was drafted indicating sector scores on all 28 criteria. Due to its size and limited robustness only some details are picked out:

1. Most criteria scores are relatively evenly spread among the sectors – but not 'Non compliance policy'. It is (still) extraordinary for the 'construction' companies in this benchmark – whereas for the 'foods' companies, it is extraordinary not to have this policy in place.
2. Having human rights policy in place is highly indicative of companies' ranking. In 2011, 72% of the companies had a human rights policy in place (up from 60%). Like most criteria, it is well spread among sectors.
3. Criteria 11, 17, 18 and 20 had the lowest overall scores: 'Identifying high-risk suppliers' (24%), '(supplier) supervising results (19%), action on non-compliance (19%) and education coverage (to suppliers) (19%).

4. Compared to 2010, especially scores on 'Defining supplier policy (indirect suppliers)', 'Content of supplier code' and 'Verification of supplier supervision' and 'Non compliance policy' rose strongly (>20%) (Criteria 7, 8, 10 and 15).
5. It is perhaps striking that scores on 'Product lifecycle; recycling' did not rise at all – in current times of increasing scarcity and rising commodity prices (criterion 26).

All criteria proved relevant since no criteria saw a 0 or 100% score. Company values scored highest: 93% of the companies had clearly stated company values (up from 85% in 2010)

In 2011, additional to the tightening of this benchmark by 4% (maximum score extended from 57 to 59), the additional progress was significant with average scores rising from 35% in 2010 to 43% in 2011. Notable from Table 4, these scores were mostly increased with policy measures (from 37% to 51%), and also by management (from 32% to 38%). This suggests that, from by this benchmark's methodology, responsible supply chain management is in a phase of implementation. This claim is supported by point 4 above (previous paragraph): *Supplier codes* and *Non compliance policies* are being published, *verification of suppliers' supervision* is increasing, and supplier codes are put forward (or rather, *upstream*), to indirect (next tiers) suppliers.

Table 4: Categorical scores 2010-2011

Per criteria score	*Vision & Governance*	*Policy*	*Management*	Point score	% Score
2010	*63%*	*37%*	*32%*	20	35%
2011	*61%*	*51%*	*38%*	25	43%
Increase	*-2%*	*14%*	*7%*	5	7%

5. SUMMARY AND CONCLUSIONS

This Benchmark is a qualitative, comparative investigation among 40 Dutch–listed corporations, aiming to inform stakeholders on Responsible Supply Chain Management. These stakeholders are executives, investors, academia, NGO's, government and society at large. Rather than concentrate on the nature of a company's activities, this benchmark focuses on company policy and the implementation and management thereof. This makes it possible to compare, to a reasonable degree, the responsible supply chain policies of companies across different sectors.

The methodology implies a study of publicly availably company information – and a company review, ranking and analysis. Subsequently, this research is a basis of communication in various stakeholder engagement activities such as the Responsible Supply Chain Award event, visits to AGMs, stakeholder dialogues, and more. By means of 28 criteria and a potential score of 59 points, the 40 companies are ranked on total score, analysed on 'segmented score' (vision & governance, policy or management), and relative score, both historically as per *sector*. It needs to be noted that the sectoral categorization is relatively ambiguous for many of the included companies, regarding the diversity of the merely 40 companies of this year's research.

With the average score rising from 35% in 2010 to 43% in 2011 – even with a light increase of the maximum score, hence a tightening in the company scores (of 4%), it is fair to say that scores have been improved greatly. Both the best (Philips, 95%) and the lowest achiever (Pharming Group, 5%), improved their scores.

And generally, the scores on responsible supply chain management have improved for most companies. However, even though performance keeps improving, many companies still need to take further steps, as indicated by a very wide gap in percentage scores (~90%). Hence, companies can also use this benchmark as a reference for best practices. To provide leading examples, the VBDO considers introducing international best practices per sector in next year's report. Two indicative examples are already provided in this report.

Newly introduced in this year's benchmark, are the historical and sectoral perspectives, as well as a start to a discussion about operationalizing potential enhancements of this research. By means of the Guiding Principals on Business and Human Rights (Implementing the United Nations "Protect, Respect and Remedy" Framework), professor John Ruggie, special representative to the UN, has paved the way for human rights to become a core issue, primary to international business, rather than a side issues *subjected* to international business. Hence, the theme of human rights will be expanded on in 2012. For this year, the single criterion on human rights that the benchmark contained, received additional focus in our analysis. The growing awareness on human rights was reflected by the fact that the companies were relatively active in developing and verifying their supplier codes.

In 2011, human rights policy was in place for 72% of the included companies', an increase from 60% in 2010. The top 20 companies all made reference to human rights in their codes of conduct, supplier codes, company values, or otherwise formally acknowledged them. Out of the following 20 companies, however, 11 made no reference to (respecting) human rights – whereas all supply chains cover a great number of countries and continents.

Particularly appealing criteria to this benchmark, and especially for key themes as human rights, are policy on high-risk suppliers and acceptation of responsibility for indirect suppliers. Especially for Unilever and Ahold, who are heavily involved in these themes, there are immense challenges. But also for Shell, human rights and increasing resource scarcity are of ever increasing relevance. The VBDO will work on improvement of this benchmark to accommodate these contemporary challenges and companies' efforts of responsible supply chain management and corporate social responsibility in general.

Increasing resource scarcity, and rising commodity prices were, despite many company reportings, hardly a hot topic in this analysis. Both the methodology as the scores on the relevant criteria contributed hereto. The scores on the two relevant criteria 'Product life cycle and R&D' and 'Product life cycle; recycling', did not capture companies' preoccupation with these themes, as noted from many AGM's and (annual) reports this year. Hence, this is a topic of expansion or improvement for the next benchmark.

Sectoral and historical analyses lead to the following conclusions:

- Especially the construction sector has made disproportional relative progress over the past years (2006-2011). This is one of the most remarkable outcomes of the VBDO's Responsible Supply Chain Management Benchmark. Especially BAM Group and Wavin have made extraordinary progress and a leap into the top 10 achievers – among globally established CSR leaders such as Philips, Reed Elsevier, Unilever, DSM and AkzoNobel.
- Notably identification of critical or high-risk suppliers is among the key topics in (responsible) supply chain management, especially for companies in the agricultural supply chains. Hence initiatives such as the RSPO, Agri- & AquaVision, etc.
- The existence or absence of a supplier code (or similar purchasing policy, etc) is critical to the benchmark score, and development of policy and practice in responsible supply chain management.

Needless to say, transparency remains an important driver for the VBDO; the benchmark is only based on verifiable publicly available information, leading to a lower score than necessary in some cases. Both qualitative and quantitative analyses of the companies are included in this report. We advise companies to take a look at the frontrunners to see what policies they have implemented. In addition, the VBDO will continue to put this topic forward at engagement activities (AGM's, stakeholder dialogues), other benchmarks and research activities and our newly launched information platform on CSR and responsible investment: www.duurzaamaandeel.nl (soon to be translated to English).

A publication by KPMG and the VBDO, to be handed out at the Award event connected to the publishing of this benchmark on December 14th 2011, (and uploaded to www.vbdo.nl) will deal more comprehensively with the subject of responsible supply chain management, elaborating on best practices, operationalization, and more.

6. APPENDIXES

6.1. Appendix 1: Benchmark Criteria

A GOVERNANCE AND VISION

1	Board of Directors' responsibilities	
	There is a formal member of the Executive Board or a high level commission bearing responsibility for sustainability or supply-chain related issues.	1
	There is no evidence of a formal member of the Executive Board or a high level commission bearing responsibility for sustainability or supply-chain related issues, either specifically or as part of the responsibilities pertaining to sustainability issues in general. Or, the company does not publish anything on the subject.	0

2	Trends and opportunities	
	The company has made a trend analysis at supply chain and customer level, meaning that trends were analysed that profoundly affect or may affect any or all of the links in the supply chain and with customers. The trend analysis is consequently not aimed only at the key markets.	2
	The analysis charts the main sustainability trends for the key markets on which the company operates and which therefore are paramount in determining the company's capacity to create value or prevent value from being lost.	1
	No trend analysis was made charting the trends for the key markets on which the company operates and which therefore are paramount in determining the company's capacity to create value.	0

3	Stakeholder engagement	
	The company actively engages with supply chain stakeholders. Key stakeholders have been identified and there exists an overview of the key issues per stakeholder. There is no doubt that the key issues are actively considered in the company strategy. The identified stakeholder groups accurately represent all parties who are involved in any of the company's supply chain activities.	1
	The company does not actively involve its stakeholders. It is not clear who the main stakeholders are. It is not known how the stakeholders' interests are promoted in the company strategy.	0

4	Strategy	
	As does the trend analysis, the company strategy aims at the entire supply chain. The company acknowledges that each link in the supply chain represents challenges, which can result in opportunities.	2
	The company incorporates the main sustainability trends into its overall strategy. The company demonstrates how the challenges arising from the trends are transformed into opportunities for its stakeholders by means of an innovative company strategy.	1
	The identified trends are unknown. Consequently it is not known how any innovative company strategy might turn challenges into opportunities. Or the company recognizes trends, which are of influence, but fails to show how	0

	these trends may be turned into opportunities.	

5	Company core values (corporate culture)	
	The company's core values are clear. These are the standards with which employees identify themselves and which they uphold.	1
	The company's core values are not clear.	0

B POLICY

6	Policy and management systems for suppliers	
	The company has a Supplier Policy and a corresponding management system. They clearly include sustainability issues (transparency and sustainable performance).	2
	The existence of a Supplier Policy has been proven (only transparency).	1
	The existence of a Supplier Policy has not been proven. Or, the company does not publish anything on the subject.	0

7	Defining supplier policy (indirect suppliers)	
	There is proof of indirect suppliers being included in the supplier policy. Explanation has been given about what the company considers to be the boundaries of a supply chain and its motivation: when and why the policy also applies to indirect suppliers (e.g. in case of an indirect supplier producing essential parts for final products or them being greatly dependant on the company).	2
	It is mentioned that the policy applies to certain indirect suppliers, but little or no explanation is forthcoming.	1
	There is no proof of indirect suppliers being included in the supplier policy.	0

8	Content of the Supplier Code	
	There is a Supplier Code that includes the following subjects (based on, amongst other references, ILO, OECD, HRCA and the company's present best practices). If no impartial Supplier Code exists, the company makes it clear that it requires from suppliers that they maintain similar standards as those that are incorporated in its own Code of Conduct. Subsequently, this Code is considered to be a Supplier Code.	
	8a – Human Rights Policy - Prevention of forced labour and slave labour; - Banning of child labour; - Non-discrimination; - Freedom of Association (Trade unions); - Rights for indigenous people and ethnic minorities; - Banning of revenge/retaliation; - Training and education with regard to human rights; *This listing is non-exhaustive*	1 0

8	Content of the Supplier Code	
	8b - Employment rights and decent work (including home-work) - Maximum number of working hours; - Healthcare and safety precautions; - Risk prevention (e.g. fire and flooding); - Prevention of HIV, AIDS and other related) diseases (if applicable); - Equal opportunities (including cases related to sexual harassment etc.); - Hygienic working and housing facilities, fresh air circulation and filtration, lighting and temperature; - Training and education in relation to human rights; *This listing is non-exhaustive*	1 0
	8c - Social Policy - Managing community impact resulting from company operations and implementing procedures for impact control; - Bribery and corruption; - Inappropriate political lobby and contributions *This listing is non-exhaustive*	1 0
	8d - Environment Policy - A clear intention to continuously improve operations effecting the environment; - Self imposed obligation to apply internationally accepted environment standards relating to certain resources (wood, palm oil, fish etc.); *This listing is non-exhaustive*	1 0
	8e - Environment Management Monitoring System, covering - The consumption of scarce natural resources; - The consumption of energy and water; - Emissions concerning air and water; - Noise, smell and dust pollution; - Ground pollution; - The use of dangerous materials; - Waste production and recycling; - Product related issues (packaging, transport, recycling etc.); - Compliance with legislation, standards and codes. *This listing is non-exhaustive*	1 0
	There is no Supplier Code. Or: The company does not publish anything on this subject.	0

9	Monitoring method	
	The company has a method to monitor suppliers on code compliance. The method is publicly available (e.g. published on websites and/or Sustainability Reports). Independent verification of the application of the method is part of the method.	2
	The company has a method to monitor suppliers on code compliance. The code is not publicly available.	1
	The company has no method of monitoring which supervises suppliers on code compliance. Or, the company does not supervise suppliers and/or it does not publish anything on this subject.	0

10	Non compliance policy	

	There is a publicly available policy that describes how to respond to non-compliance with the code. This policy contains a stratified plan of action. That is to say, the various measures taken for the various degrees of non-compliance and the cases in which the company decides to terminate a contract with its supplier(s). The company has a contact point where stakeholders can bring in complaints.	2
	The way(s) in which non-compliance is dealt with are reported. The report mentions details about the taken action(s), but does not indicate a stratified approach. Or no details are mentioned as to the used approach.	1
	There is no publicly available policy that describes how to respond to non-compliance with the code. Or, the company does not supervise suppliers and/or it does not publish anything on this subject.	0

11	Identifying high-risk suppliers	
	The company has a comprehensive policy that identifies suppliers with a high sustainability risk. The policy contains at least a country analysis, charting countries with which no business is should be conducted or for which certain additional conditions must be set. The company in making its risk analysis uses an impartial external organization for its execution. (e.g. HCRA Country Risk Assessment). In addition, stakeholders are consulted in order to determine the conditions under which operations in high-risk countries may take place.	2
	The company carries out country analyses. The results of the risk analysis or the consultations with the stakeholders are not reported. The company does not use an impartial external organization for its execution in making its risk analysis.	1
	There is no proof that the company carries out country analyses. The company does not publish anything on the subject.	0

12	Identifying critical suppliers	
	The company has a comprehensive policy that identifies critical suppliers, which are suppliers that operate above a certain sum or suppliers that deliver essential parts of products and production processes. The company makes clear that these critical suppliers are actively involved in the sustainability activities.	2
	The company has a comprehensive policy that identifies critical suppliers, which are suppliers that operate above a certain sum or suppliers of an essential part of the product.	1
	There is no proof that the company carries out a supplier analysis. The company does not publish anything on the subject.	0

C MANAGEMENT

General

13	Product life cycle R&D	
	Continuous investments are being made in production and consumption patterns in such a way as to avoid or even eliminate the use of scarce commodities, including energy. The production process is (re)designed in a way that optimizes the use of materials for new products and minimizes its	2

	effect on the environment. The company gives practical examples of its alterations to the life cycle of its products.	
	The company has the intention of making investments in present production and consumption patterns in such a way as to avoid or even eliminate the use of scarce commodities. The production process is as yet not (re)designed in a way that optimizes the use of materials for new products and minimizes their effect on the environment.	1
	The company does not make it clear that both production and consumption processes have been critically analysed with the intention of (re)designing them in a way that optimizes the use of materials for new products and minimizes their effect on the environment.	0

14	Logistics	
	The company provides qualitative and quantitative information on the environmental effect of the supply chain. The company uses short distribution channels and tries to minimize the distance between the production location and user market, using means of transport with lowest energy consumption. Act globally locally. Moreover, the company tries to minimize business related travel.	2
	The company tries to minimize business related travel. Qualitative and quantitative information is provided on the initiatives.	1
	There are no initiatives taken to limit the distribution channels or business related travel.	0

Upstream

15	Verification of supplier supervision	
	The company supervises all companies it has identified as high-risk suppliers. This is done to verify supplier compliance with the Supplier Code. Inspections are carried out no less than once every three years.	3
	The company supervises at least half of all companies it has identified as high-risk suppliers. This is done to verify supplier compliance with the Supplier Code. Inspections are carried out no less than once every three years.	2
	The company supervises less than half of all companies it has identified as high-risk suppliers. This is done to verify supplier compliance with the Supplier Code. Either that or the company states that it carries out inspections, but no percentages are given.	1
	The company does not supervise suppliers and/or it does not publish anything on this subject.	0

16	Competence of the supervising persons/institutions	
	One or more external, impartial supervising institutions carry out supervision. These institutions could be registry or certificate providing accounting firms or consulting agencies.	2
	The company itself carries out the supervision of internal management assessment and other objectives.	1
	No supervision is carried out or it does not publish anything on this subject.	0

17	Supervising results	

	The company clearly states the number or percentage of suppliers that did not pass supervision.	2
	The company gives examples of non-compliance by suppliers.	1
	The company does not supervise suppliers and/or it does not publish anything on this subject.	0

18	Transparency on action on non-compliant suppliers	
	The company states which measures have been taken with non-compliant suppliers	2
	The company gives examples of the measures that have been taken with non-compliant suppliers	1
	The company does not supervise suppliers and/or it does not publish anything on this subject.	0

19	Educating suppliers	
	Structured, adequately resourced, education concerning sustainability issues is continuously provided for high-risk supplier's management and/or personnel.	2
	Education concerning sustainability issues is provided for high-risk supplier's management and/or personnel, but on a random basis.	1
	No education concerning sustainability issues is provided for all supplier's management and/or personnel. Or the company does not publish anything on this subject.	0

20	Education coverage	
	Education is provided for at least 75% (no less than 75% of the company's total purchase value) of the suppliers over the last 3 years.	3
	Education is provided for less than 75%, but more than 25% (less than 75%, but more than 25% of the company's total purchase value) of the suppliers over the last 3 years.	2
	Education is provided for less than 25% (less than 25% of the company's total purchase value) of the suppliers over the last 3 years. Or: It is obvious that the company and its suppliers have a joint education program, but no percentages are given.	1
	The company does not publish anything on the subject.	0

21	Communication between company and suppliers	
	More than 75% of the suppliers (more than 75% of the company's total purchase value) have stated their compliance with the Supplier Code.	3
	More than 50% of the suppliers (more than 50% and less than 75% of the company's total purchase value) have stated their compliance with the Supplier Code.	2
	Less than 50% of the suppliers (less than 50% of the company's total purchase value) have stated their compliance with the Supplier Code. Or, the company declares that it has asked its suppliers to sign the Supplier Code, but no percentages are given.	1
	The company does not publish anything on the subject.	0

22	Monitoring results	

	The company has formulated KPIs related to the upstream supply chain, such as the items covered under item 8, and shows qualitative and quantitative data, indicating improvement.	2
	The company has formulated KPIs related to the upstream supply chain, such as the items covered under item 8.	1
	The company does not have KPIs related to the upstream supply chain.	0

Midstream/company level

23	Educating purchasers	
	The company supervises its suppliers on sustainability independently from its operational purchasing department. Purchasers are educated in the sustainability policy of the company. Purchasers are required to integrate evident sustainability criteria into their purchasing procedures and the selection of suppliers. Purchasers are aware of the supplier supervision policy regarding sustainability and are educated accordingly	2
	Purchasers can select a company from a list of approved suppliers (tested for sustainability issues) for the purchase of products and services.	1
	Purchasers are not educated in sustainability within the supply chain. Or, the company does not publish anything on this subject.	0

24	Cooperation agreements	
	Within its sector, the company is an initiator in the development of strategic cooperation agreements for sustainable solutions within the entire supply chain.	2
	Within its sector, the company is a follower in the development of strategic cooperation agreements for sustainable solutions within the entire supply chain.	1
	The company does not take part in any initiatives that might promote sustainability within the supply chain. Or: the company does not publish anything on this subject.	0

Downstream

25	Product life cycle; sales attuned to emerging markets	
	The company recognizes the potential of emerging markets and has taken actions showing results in addressing this potential as part of the supply chain management. At the same time, the company recognizes the necessity to attune its products to the demands arising from those markets. The company is very specific in its publicly available sources as to examples of products, which it has attuned to the demands arising from emerging markets.	2
	The company recognizes the potential of emerging markets. The company has a plan to attune its products to the demands arising from those markets.	1
	The company does not attune its products to the demands arising from emerging markets or does not recognize emerging markets as potential opportunities.	0

26	Product life cycle; recycling	
	The company has a recycling policy that is being implemented. The company	2

	actively stimulates taking back products that have entered the end-of-life stage. The company is actively involved in sector-wide initiatives to draw up a recycling policy. The company provides quantitative data on the percentage of sold products, which actually have been taken back.	
	The company has a recycling policy that is being implemented. The company actively stimulates taking back products that have entered the end-of-life stage. The company is actively involved in sector-wide initiatives to draw up a recycling policy. The company does not provide quantitative data on the percentage of sold products, which is actually been taken back. Or the company does state the percentage of reuse, but its policy is not further clarified.	1
	The company is not actively involved in any recycling policy.	0

27	Responsible marketing	
	The company actively steers its marketing towards sustainability. Buyers are made aware of the necessity of sustainable enterprise and consumption. The company makes it clear that this is a structural element in the marketing of its products, and underlines this with examples.	2
	The company actively steers its marketing towards sustainability. Buyers are made aware of the necessity of sustainable enterprise and consumption. The company does not make it clear that this is a structural element in its marketing.	1
	The company does not include any sustainability issues or elements in its communication policy.	0

28	Monitoring results	
	The company has formulated sustainability KPIs related to the downstream supply chain and shows qualitative and quantitative data, indicating improvement.	2
	The company has formulated sustainability KPIs related to the downstream supply chain.	1
	The company does not have KPIs related to the downstream supply chain.	0

6.2. *Appendix 2: Criteria scores (per 'sector')*

	Criteria	*Total*	Foods	Mining	Electronics	Chemicals & Industry	Construction	Media	Logistics	'Other'
	Vision & Governance									
1	Board of Directors' responsibilities	*68%*	100%	20%	100%	50%	60%	67%	100%	50%
2	Trends and opportunities	*41%*	64%	20%	30%	38%	60%	33%	50%	25%
3	Stakeholder engagement	*63%*	71%	40%	60%	75%	80%	33%	100%	25%
4	Strategy	*39%*	64%	10%	20%	44%	50%	17%	50%	38%
5	Company core values (corporate culture)	*93%*	100%	80%	100%	88%	100%	100%	100%	75%
	Policy									
6	Policy and management systems for suppliers	*73%*	86%	50%	70%	63%	80%	100%	83%	63%
7	Defining supplier policy (indirect suppliers)	*39%*	43%	20%	50%	25%	60%	33%	50%	38%
8	Content of the Supplier Code									
8a	Human rights policy	*73%*	86%	60%	80%	75%	60%	67%	100%	50%
8b	Employment rights and decent work	*68%*	57%	60%	80%	75%	60%	67%	100%	50%
8c	Social Policy	*63%*	71%	60%	60%	63%	60%	67%	67%	50%
8d	Environment Policy	*60%*	57%	60%	80%	50%	60%	33%	100%	50%
8e	Environment Management Monitoring System	*43%*	43%	40%	60%	38%	40%	33%	33%	50%
9	Monitoring method	*49%*	50%	30%	60%	63%	40%	50%	50%	38%
10	Non compliance policy	*44%*	71%	30%	50%	38%	20%	67%	33%	38%
11	Identifying high-risk suppliers	*24%*	36%	10%	40%	13%	10%	67%	17%	13%
12	Identifying critical suppliers	*34%*	50%	20%	40%	38%	50%	50%	0%	0%
	Management (General)									
13	Product life cycle R&D	*73%*	71%	70%	80%	69%	90%	67%	100%	38%
14	Logistics	*49%*	64%	20%	50%	38%	80%	67%	50%	25%
	(Upstream)									
15	Verification of supplier supervision	*28%*	29%	13%	47%	29%	13%	44%	33%	17%
16	Competence of the supervising persons/institutions	*35%*	36%	20%	60%	31%	10%	50%	50%	38%
17	Supervising results	*19%*	7%	30%	60%	13%	0%	33%	0%	13%
18	Action on non-compliant suppliers	*21%*	7%	10%	50%	38%	10%	33%	0%	13%
19	Educating suppliers	*34%*	29%	10%	60%	44%	20%	33%	67%	13%
20	Education coverage	*19%*	14%	7%	40%	17%	13%	11%	56%	8%
21	Communication between company and suppliers	*31%*	19%	27%	47%	38%	33%	22%	33%	25%
22	Monitoring results	*44%*	64%	10%	50%	38%	90%	33%	17%	25%
	(Company level)									

23	Educating purchasers	*34%*	21%	10%	40%	44%	60%	33%	67%	0%
24	Cooperation agreements	*39%*	50%	10%	40%	25%	70%	50%	67%	13%
	(Downstream)									
25	Product life cycle; sales attuned to emerging markets (BOP)	35%	36%	30%	30%	56%	50%	17%	33%	0%
26	Product life cycle; recycling	59%	57%	50%	60%	50%	90%	83%	50%	38%
27	Responsible marketing	54%	64%	30%	40%	50%	90%	50%	83%	25%
28	Monitoring results	44%	64%	10%	50%	44%	70%	33%	50%	13%
	Points	**43%**	**48%**	**26%**	**52%**	**42%**	**49%**	**46%**	**51%**	**26%**