

From compliance to competitive advantage: leveraging ESG-driven procurement

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Our purpose-led global community of sustainable procurement leaders and experts driving impact across the world

180

Countries covered

1400+

Sustainable Procurement Programs

150,000+

Companies rated

1700+

Employees

17

Global Offices

80

Employee countries of origin

Member of French Tech 120 since 2020

Citizen Action Award 2020
Tech for Good Awards BFM

Organization of studies and annual events with Ecovadis

Featured for seven consecutive years in the Purchasing Almanac

Investor of \$200 million in 2020

Investor of \$500 million in 2022

Our network impacts 1,400+ requesting organizations and 150,000+ rated companies 2024

Sustainability improvement at scale



[2024 Purpose Report](#)

1400+ active requesting organizations (+8% YoY)

44,000+ active requesting users (+13% YoY)

€2.38 trillion in global spend covered (+13% YoY)

300+ companies using the Carbon Action Manager (+15% YoY)

2.95 million companies screened through IQ (+47% YoY)

150,000+ companies assessed (+20% YoY)

20,000 active users of the Academy

176 million workers represented across the network (+40% YoY)

185+ countries / **250+** industries

+12.90 average Score Improvement since first evaluation

40,000+ companies reporting carbon metrics (+55%)

13,000+ companies reporting carbon targets (+300%)

10,000+ companies reporting Living Wage metrics (+150%)



Reporting period: 2024

A group of diverse professionals in a modern office setting. In the foreground, a woman with curly hair and glasses is smiling while working on a laptop. Behind her, several other people are visible, some looking at the laptop and others in the background, all appearing to be in a collaborative work environment. The office has a contemporary feel with wooden accents and large windows.

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Do ESG Efforts Create Value?

Robust Methodology

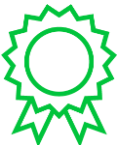


Data Set

The study drew upon **180,000 EcoVadis Ratings of 100,000+ companies**, 80% of which are private.

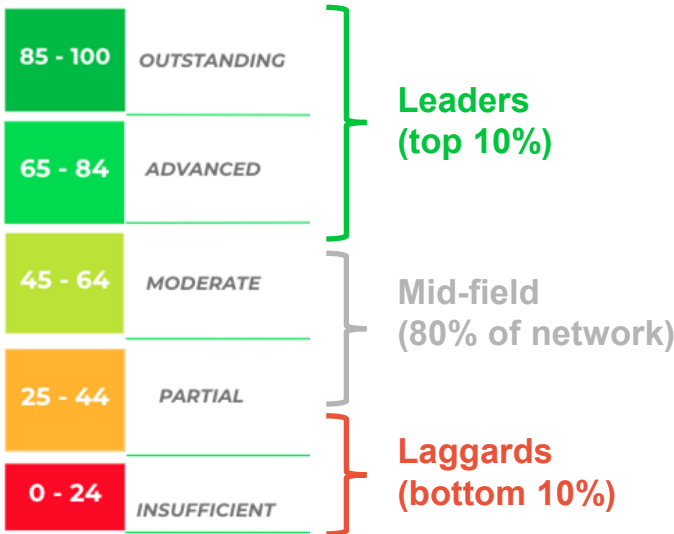
Company size was determined based on annual revenue, as follows:

- Large: >\$1B
 - Medium: \$100M – 1B
 - Small: \$10-100M
 - XS: \$2-10M
 - XXS: <\$2M
- } *Focus of analysis*



Performance Thresholds

Leaders are companies in the top 10% of the **EcoVadis network** (overall rating of 62 and above). **Laggards** are the bottom 10% of the network (rating of 30 and below). The **mid-field** are the 80% of companies between these thresholds.



Scope & Coverage

At the industry level, share of ESG leaders which have a certain ESG activity compared to share of ESG mid-fielders which have the same ESG activity

- ESG activities that have the highest difference are assumed to be key differentiating factors
- ESG activities that float to the top for most industries are considered industry-agnostic criteria

Key Findings



Environment

{ **Carbon maturity and renewable energy usage** correlate with **higher EBITDA margins**, particularly in carbon-intensive industries.



Sustainable
Procurement

{ Companies that **focus on environmental, labor & human rights and ethics practices** within their supply chains are **more profitable**.

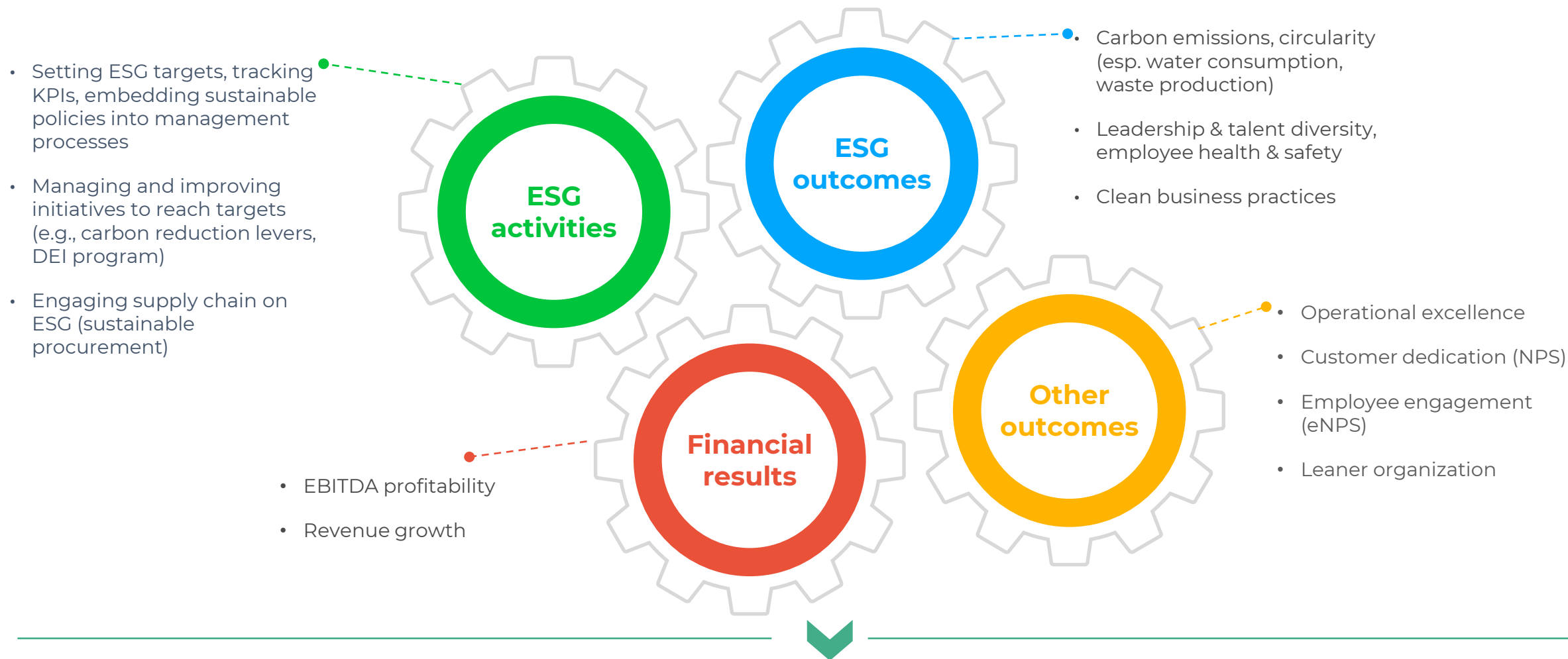


Labor & Human
Rights

{ ESG leaders have **higher employee satisfaction**; companies with the most satisfied employees **grow faster and are more profitable**.

{ Companies with **more women on the executive team** have **better financial results**.

The study examined the reinforcing sustainability/ESG performance loop that EcoVadis helps companies set in motion



Companies with better bottom and top-line performance embed more ESG activities, driving favorable ESG outcomes that reinforce positive financial results



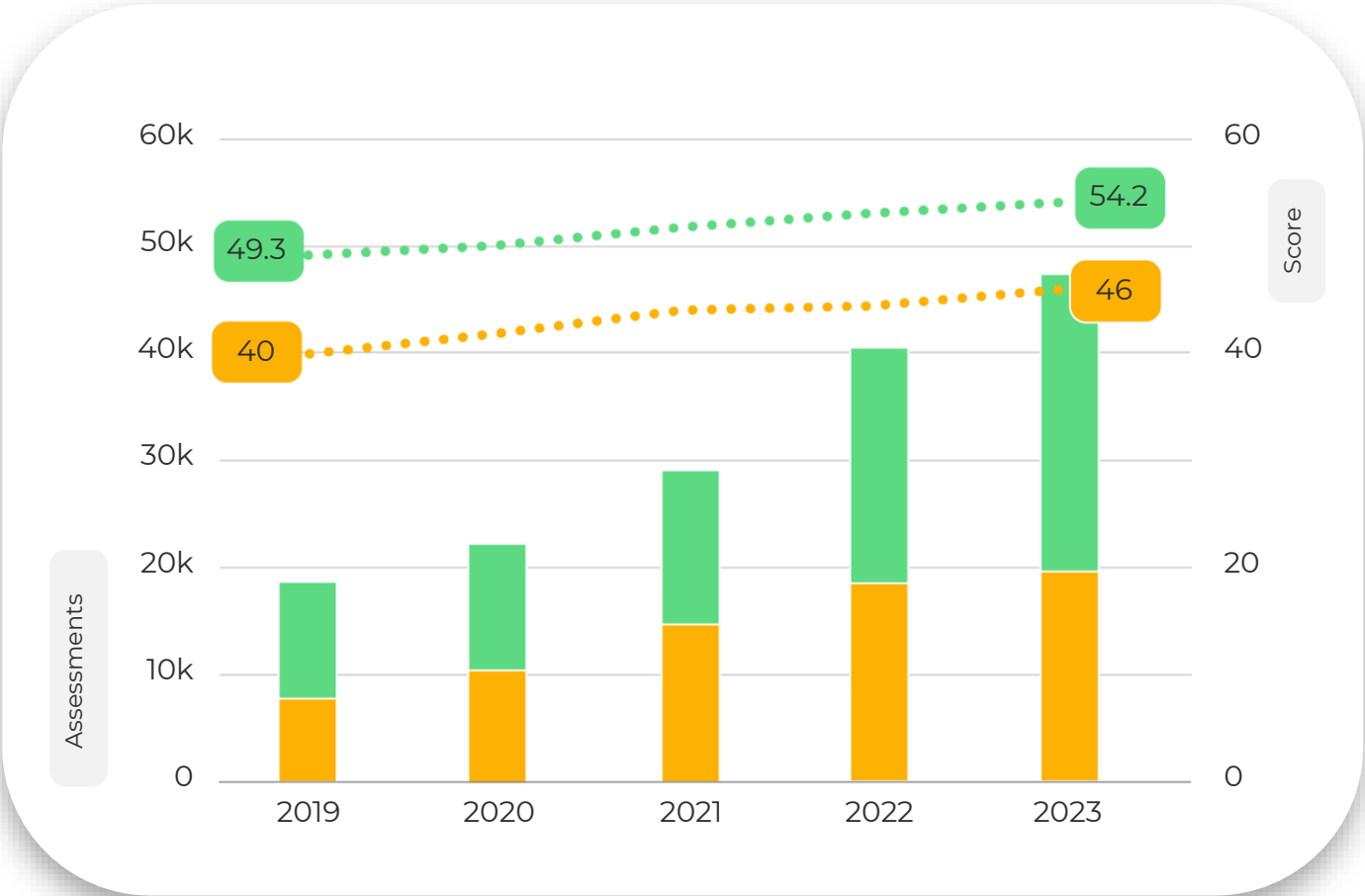
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The Impact on your Supply Chain



Rise in assessments and scoring average since 2019:
A comparison of reassessed and first-time rated companies

- Reassessments
- First assessments
- Average reassessments score
- Average first score



EcoVadis has helped us communicate about areas for improvement with our leadership and to move forward the institution's policies and strategy."

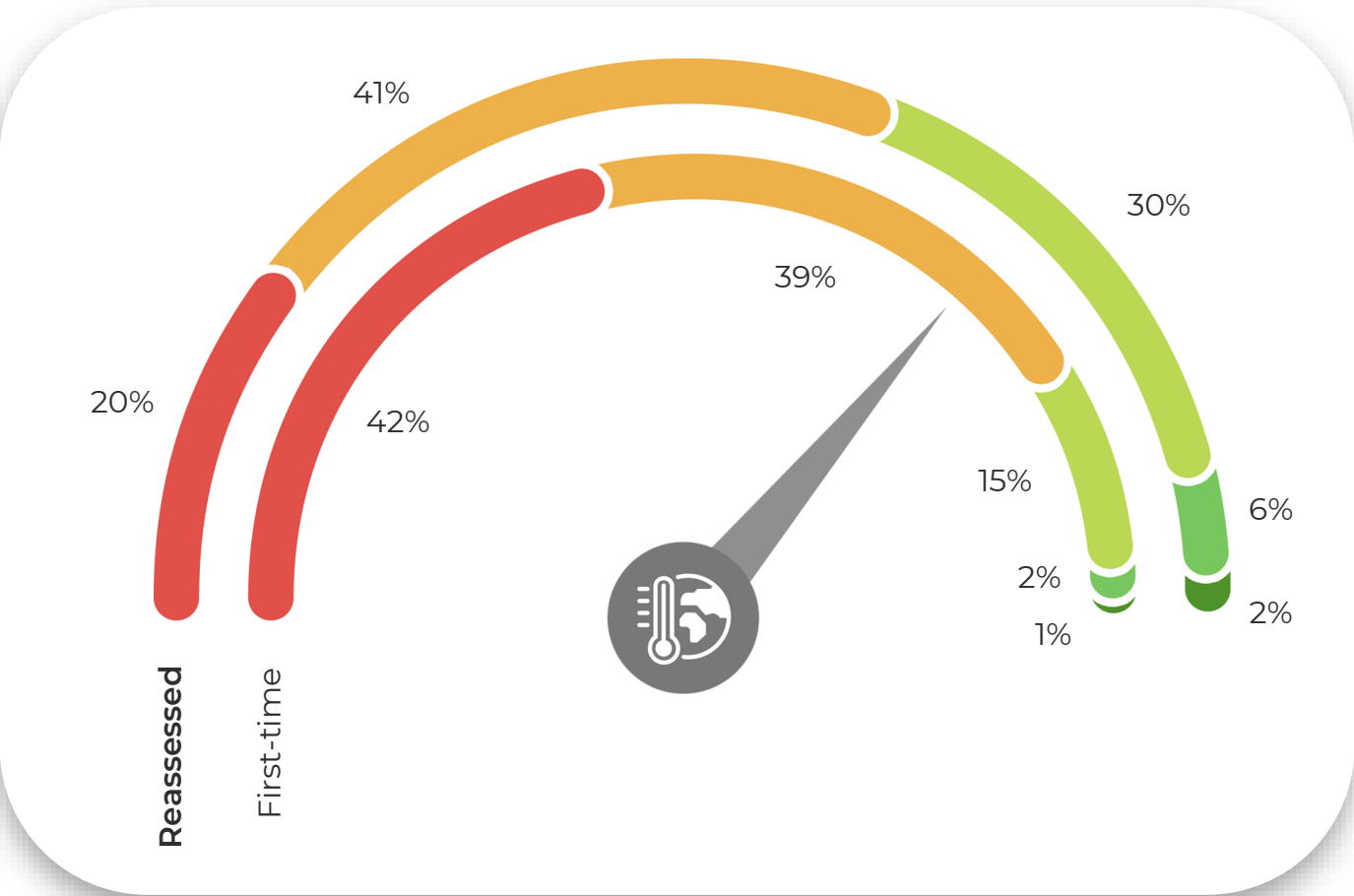


Natalia Olynec
Chief Sustainability Officer
IMD

Positive outcomes: Carbon focus



Carbon performance distribution: Reassessed companies versus first-time rated companies



- Leader**
Best-in-class GHG management system underpinned by verified science-based targets and innovative emission reduction measures
- Advanced**
Comprehensive GHG management system and reporting in line with global standards, including third-party data verification
- Intermediate**
Core elements of a GHG management system present, including public reporting
- Beginner**
Some elements of a GHG management system and/or reporting practices present
- Insufficient**
Minimal or no GHG management system elements present

Positive outcomes: DEI focus



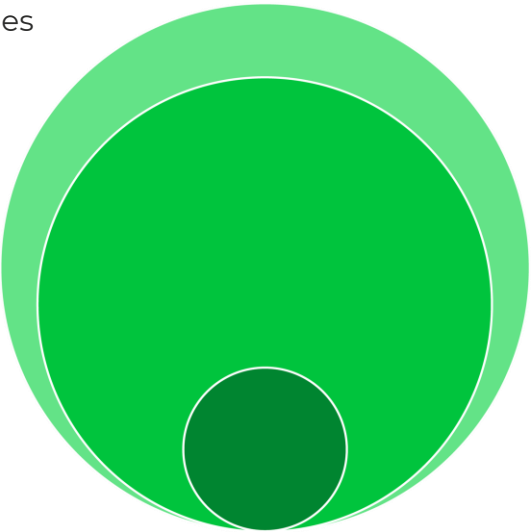
What key best practices are companies adopting to take action on DEI?

Number of reassessed companies adopting selected best practices over the past three years.

Adopting DEI policies

Total: 32,245

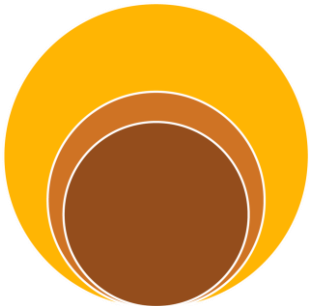
2023	19,281
2022	14,134
2021	1,830



Implementing DEI measures

Total: 11,964

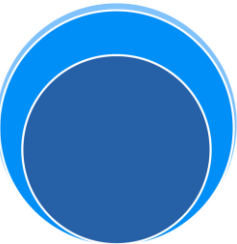
2023	6,397
2022	3,237
2021	2,330



Reporting on DEI efforts

Total: 10,656

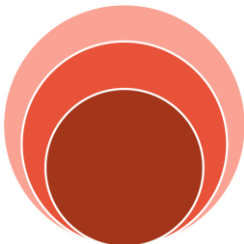
2023	4,199
2022	3,928
2021	2,529



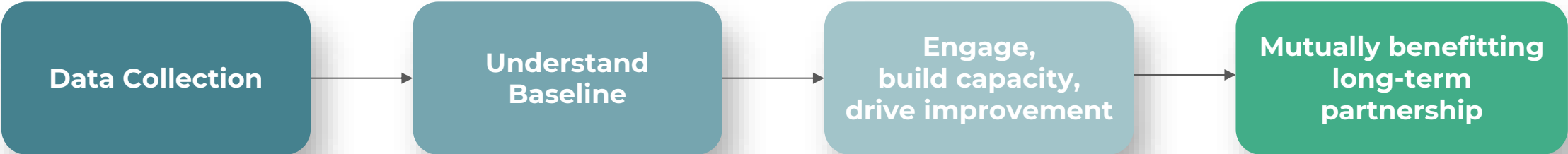
Taking action to promote **wage equity**

Total: 8,592

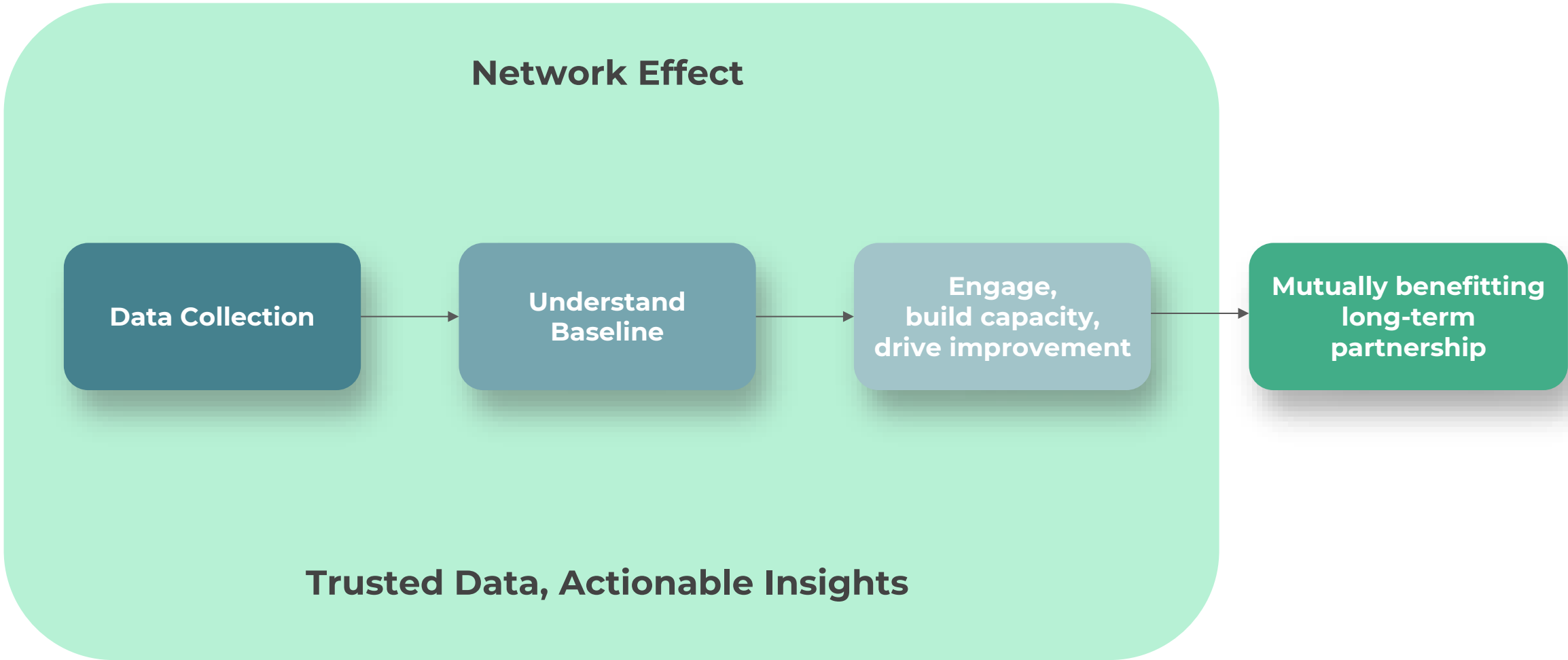
2023	4,052
2022	2,896
2021	1,644



What we've heard so far about sustainable procurement success factors...



What we've heard so far about **sustainable procurement success factors...**



Trusted methodology built on sustainability priorities and aligned with global standards

21 Sustainability Criteria Covered in Four Theme Areas



Environment

- Energy Consumption & GHGs
- Water
- Biodiversity
- Air Pollution
- Materials, Chemicals, & Waste
- Product Use
- Product End-of-Life
- Customer Health & Safety
- Environmental Services & Advocacy



Labor & Human Rights

- Employee Health & Safety
- Working Conditions
- Social Dialogue
- Career Management & Training
- Child Labor, Forced Labor & Human Trafficking
- Diversity, Equity & Inclusion
- External Stakeholder Human Rights



Ethics

- Corruption
- Anticompetitive Practices
- Responsible Information Management

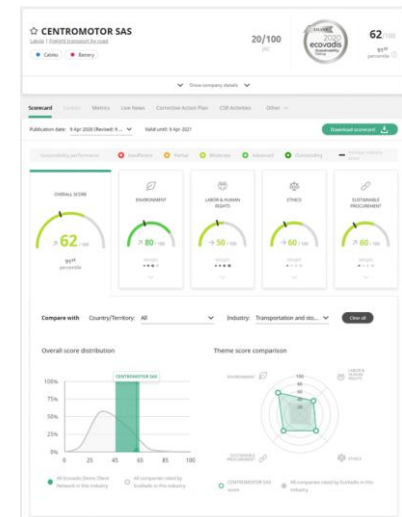
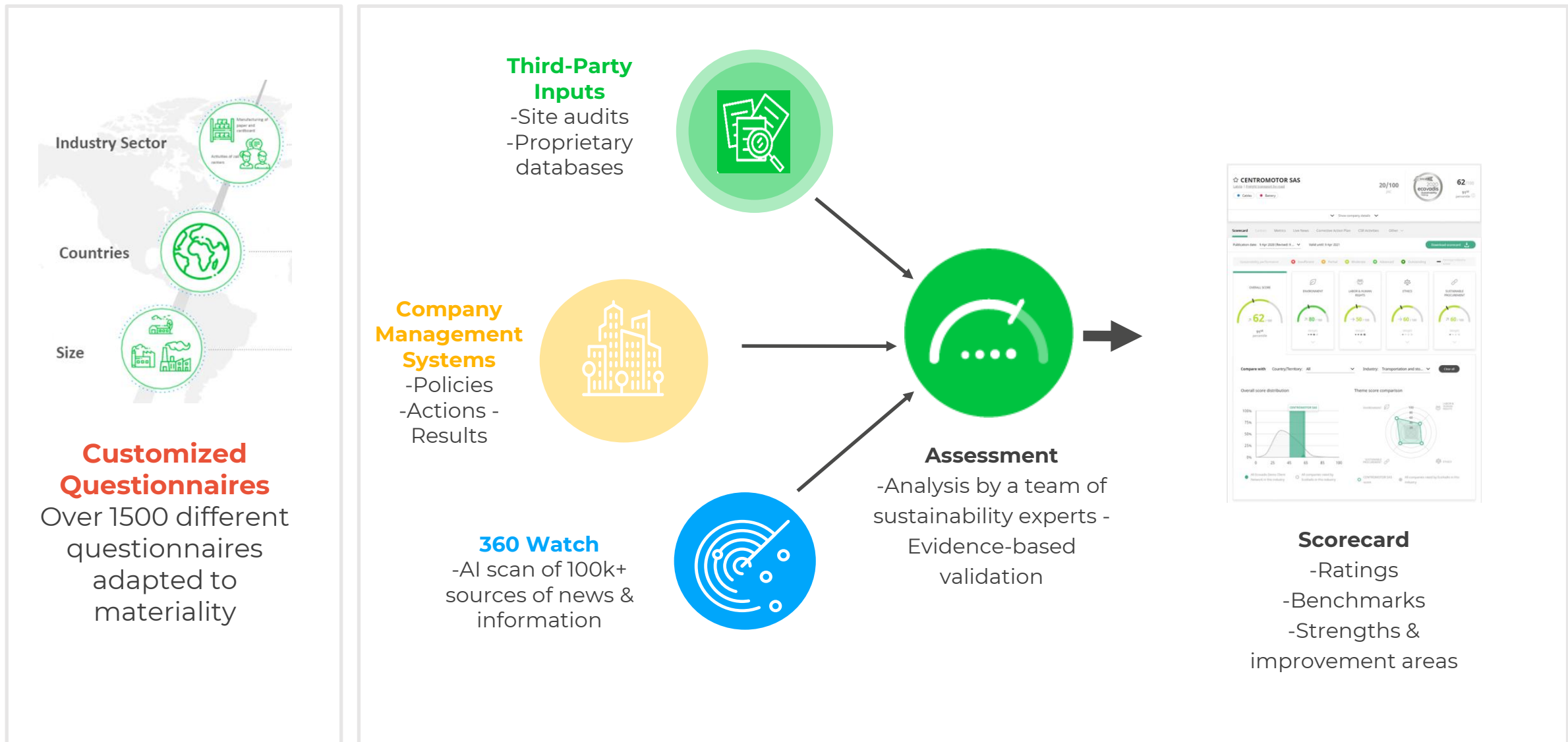


Sustainable Procurement

- Supplier Environmental Practices
- Supplier Social Practices



Assessments are adapted to each company and based on validated evidence and third-party data



Questionnaire Customization Examples: *Criteria activation & Theme Weights for different industries*

Freight transport by road



ENVIRONMENT30%	LABOR & HUMAN RIGHTS40%	ETHICS10%	SUSTAINABLE PROCUREMENT20%
<ul style="list-style-type: none"> Energy Consumption & GHGs Water Biodiversity Air Pollution Materials, Chemicals, & Waste Product Use Product End-of-Life Customer Health & Safety Environmental Services & Advocacy 	<ul style="list-style-type: none"> Employee Health & Safety Working Conditions Social Dialogue Career Management & Training Child Labor, Forced Labor & Human Trafficking Diversity, Equity & Inclusion External Stakeholder Human Rights 	<ul style="list-style-type: none"> Corruption Anticompetitive Practices Responsible Information Management 	<ul style="list-style-type: none"> Supplier Environmental Practices Supplier Social Practices

Consulting services



ENVIRONMENT12.5%	LABOR & HUMAN RIGHTS50%	ETHICS25%	SUSTAINABLE PROCUREMENT12.5%
<ul style="list-style-type: none"> Energy Consumption & GHGs Water Biodiversity Air Pollution Materials, Chemicals, & Waste Product Use Product End-of-Life Customer Health & Safety Environmental Services & Advocacy 	<ul style="list-style-type: none"> Employee Health & Safety Working Conditions Social Dialogue Career Management & Training Child Labor, Forced Labor & Human Trafficking Diversity, Equity & Inclusion External Stakeholder Human Rights 	<ul style="list-style-type: none"> Corruption Anticompetitive Practices Responsible Information Management 	<ul style="list-style-type: none"> Supplier Environmental Practices Supplier Social Practices

**Criteria activation is customized to your industry, size and location. The examples here use L size + country with low-risk level to highlight differences in terms of industries*

Questionnaire Customization Examples: : *Question adaption for different industries*

Example of questions on materials, chemicals and waste measures for companies from **different sectors**

Legal & accounting services

ENV3551: What actions has your company implemented to ensure responsible waste management?

- Reduction of internal wastes through material reuse, recovery or repurpose
- Actions or training to raise employee awareness on waste reduction & sorting
- Internal sorting & disposal of waste according to waste streams
- Reduction of material consumption through process optimization
- Use of eco-friendly or bio-based input materials
- Employee platform available to exchange office supplies between different departments/units
- Refurbishing and internal reuse of IT hardware

Manufacture of electronic components and boards

ENV3547: What actions has your company implemented to ensure responsible waste management?

- Reduction of internal wastes through material reuse, recovery or repurpose
- Actions or training to raise employee awareness on waste reduction & sorting
- Internal sorting & disposal of waste according to waste streams
- Mapping of waste streams
- Refurbishing and remanufacturing of IT hardware (i.e. laptops)
- Implementation of traceability process for the company's own e-waste

ENV3527: What actions has your company implemented to ensure responsible materials and chemicals management?

- Reduction of material consumption through process optimization
- Use of recovered input materials
- Use of eco-friendly or bio-based input materials
- Environmental emergency measures in place
- Actions for labeling, storing, handling and transporting hazardous substances
- Training employees to safely handle and manage hazardous substances
- Specialized treatment and safe disposal of hazardous substances
- Use of alternative, less hazardous substances in operations
- Actions to reduce or eliminate the use and release of Persistent Organic Pollutants (if applicable)
- Actions to reduce or eliminate the use of mercury (if applicable)

Questionnaire Customization Examples: *Option adaption* for different sizes

Example of questions on career management and training measures for companies of **different sizes**

Small (26-100 employees)

LAB340s: What actions has your company implemented to promote employee career management and training?

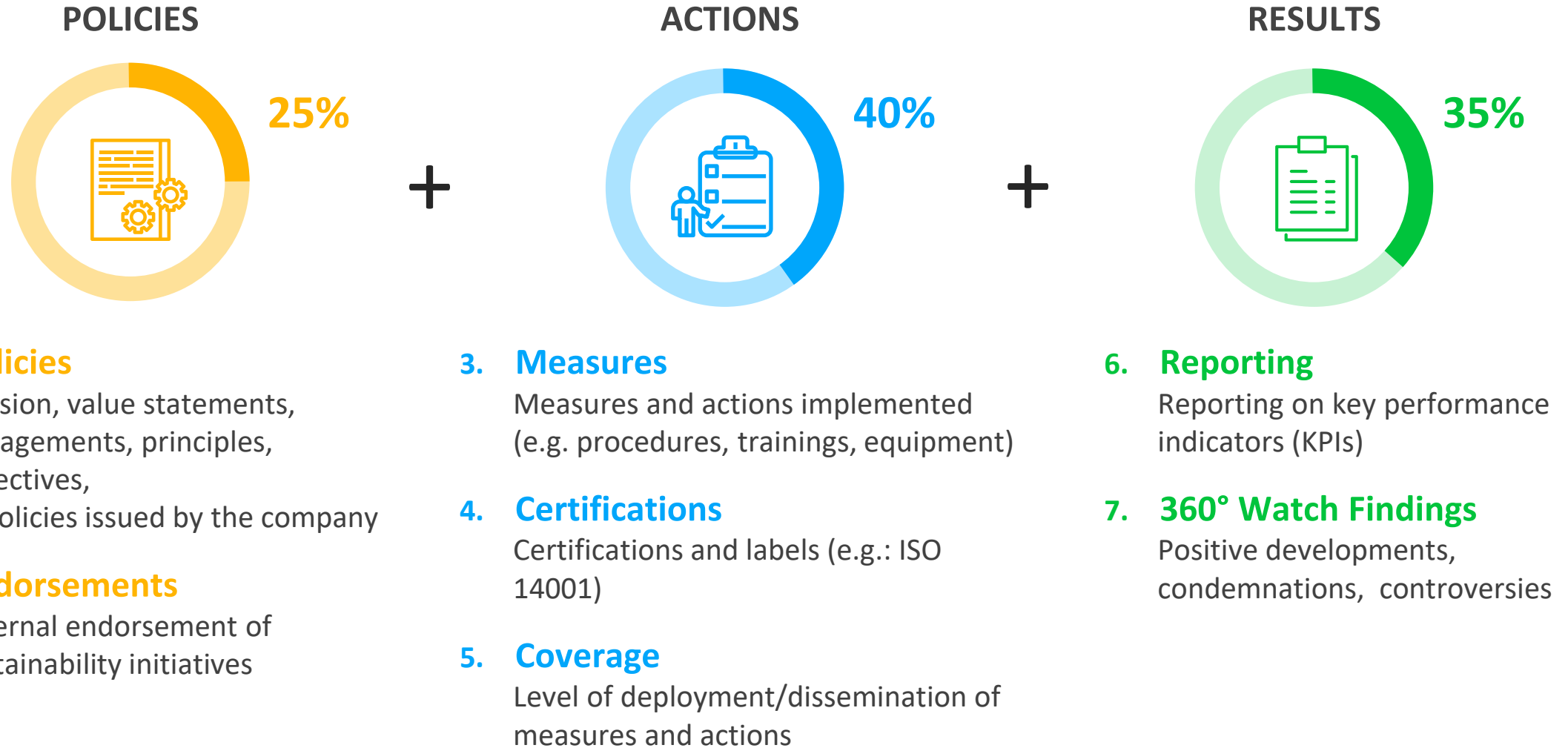
- Skills development training
- Regular assessment of individual performance
- Formal discussions with employees on their career development
- Actions to promote internal mobility
- Other actions on career management & training not included elsewhere in this question
- No actions yet/I don't know

Large (1000+ employees)

LAB343: What actions has your company implemented to promote employee career management and training?

- Skills development program tailored to employee needs
- Regular assessment of individual performance
- Individual development and career plan for all employees
- Actions to promote internal mobility
- Other actions on career management & training not included elsewhere in this question
- No actions yet/I don't know

Management System Approach to Assess Robustness: 7 Management Indicators



Adaptive due diligence addresses regulations + sustainability



- ✓ **Abstract** risk analysis
- ✓ **Verified** risk analysis
- ✓ **Preventative** measures
- ✓ **Grievance** mechanism
- ✓ **Monitoring & Reporting**

Thank you!

Reach out to Justin Lo to continue the conversation.
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