

IAEG Sustainability Assessments Engagement Kit - IAEG & EcoVadis

An Overview for Prospective Members

Assessments made...

- Reusable
- Responsible
- Sustainable

Industry Voluntary Supplier ESG Assessment Initiative Powered by **ecovadis**

Executive Summary

[International Aerospace Environmental Group \(IAEG\)](#) has been the leading environmental global aerospace and defense (A&D) forum for sharing good practices concerning key issues and developing consensus standards. Created to collaborate on and share innovative environmental solutions for the industry, IAEG and the industry members are expanding the organization's scope to drive a harmonized voluntary A&D industry supplier sustainability assessment, sector level sustainability performance data, and supply base sustainability stewardship engagement cadence with a recognized industry leader.

In 2020, IAEG evaluated over 100 solution providers via desktop review, which led to sending a Request for Information (RFI) to a subset in March 2021. In April 2022, a Request for Proposal (RFP) was issued by IAEG that included technical assessment, offering demonstration, Q&A sessions, reference calls and pricing analysis. In October 2022, the RFP effort resulted in EcoVadis being selected as the industry leading solution provider to enable a sectoral approach while also meeting the needs of individual IAEG member companies.

The remainder of this document provides an overview of the EcoVadis core offering for IAEG and its members that choose to engage in this voluntary sectoral approach to supplier sustainability assessments and supply base sustainability performance analysis. IAEG member participation in this sector initiative is voluntary and governed by IAEG's compliance policies. Each participating company needs to independently assess the value with respect to efficiencies gained via a sectoral approach and contribution toward their respective compliance obligations (e.g., supply chain duty of care laws), corporate sustainability reporting objectives and fit within their responsible sourcing practices.

For more information and contacts please see the last slide.

Aerospace & Defense Sector Initiative

Solid Governance, Strategic Guidance, Voluntary Standard

- IAEG Legal counsel led **antitrust compliance guidance** and initiative review
- **Secure technology platform** with appropriate data privacy controls
- **Supplier sharing pool** with sources anonymized to avoid antitrust concerns
- **Onboarding for new aerospace and defense companies** joining the sector initiative
- **Industry group program management** and governance jointly conducted by a dedicated EcoVadis Initiative Program Manager and IAEG Working Group 11 governance workstream leader
- **Quarterly initiative program reviews** and execution of resulting actions
- **IAEG to ensure proper governance** and regular representation of members in key meetings

Solid governance
Strategic guidance
Voluntary standard



Reusable, Responsible, Sustainable

- Initiative **data mining and dashboard** for supply base sustainability performance analysis, longitudinal trends, cross industries benchmarking, and identification of sustainability topics to focus supply base engagement
- **Analysis** of relevant **sustainability topics** in the procurement categories
- Summaries of global supply chain **duty of care compliance obligations and awareness** on how the sector initiative may support member company compliance approaches
- **Supply base sustainability engagement** via white paper (1 per year), impact workstreams (up to 3 in parallel) and capability building webinars (up to 4 per year)



IAEG Sustainability Assessments

Powered by EcoVadis

1. Reusable

Participating IAEG Members recognize the voluntary standard
'Wasted effort eliminated'

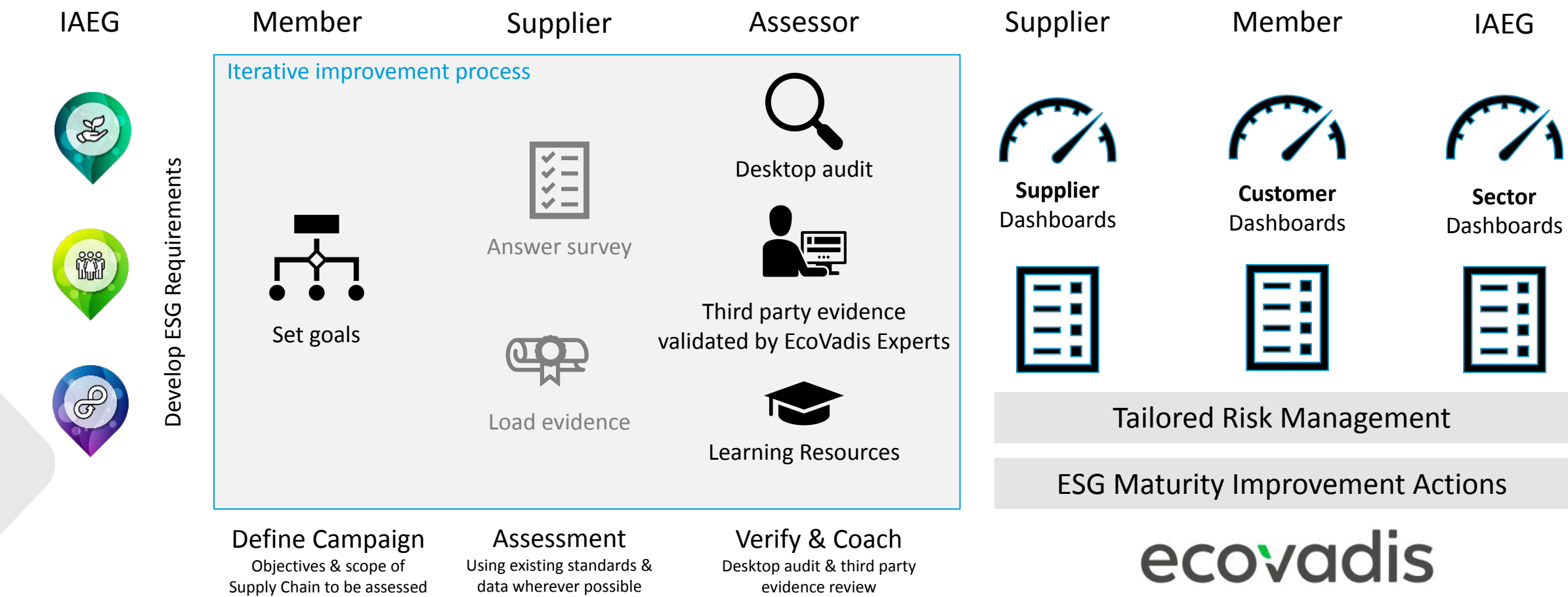
2. Responsible

Sector Initiative benchmarking
Due Diligence building block

3. Sustainable

'Sector Materiality Assessment'
Data driven Sector Improvement initiatives

IAEG Reusable Sustainability Assessments



Designed to Reduce Assessment Fatigue: a Mutual Value for IAEG Members & Suppliers

Rating Companies - IAEG Members

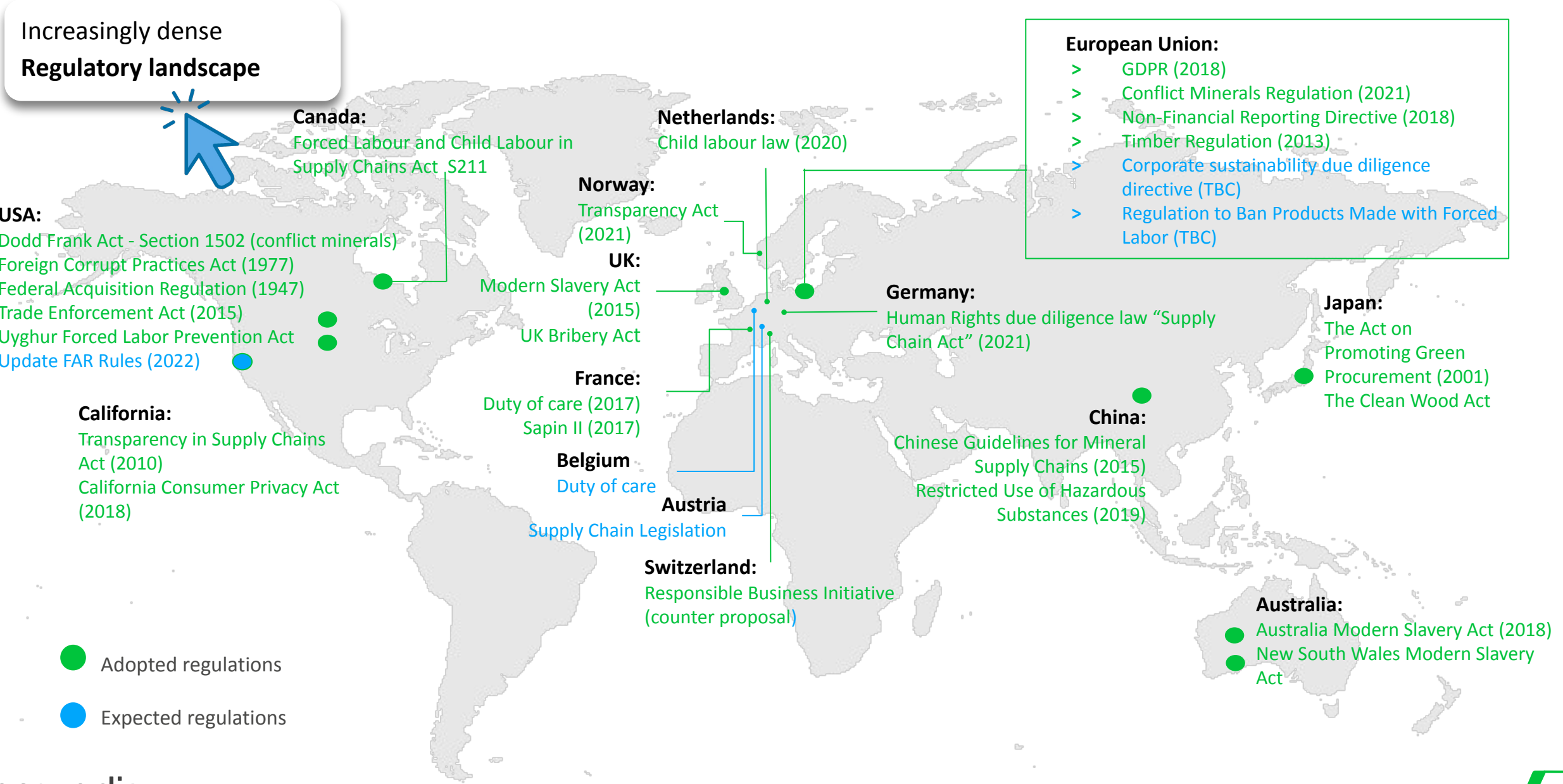
- ✗ Difficulty scaling
- ✗ Limited visibility of partners' practices
- ✗ Lack of standardized data and metrics
- ✗ Lack of reliable validated documentation
- ✗ Difficulty keeping partners engaged



Rated Companies

- ✗ Duplicate efforts
- ✗ Skill and knowledge gaps
- ✗ Difficulty calculating metrics and sharing data
- ✗ Rapidly changing robust reporting standards
- ✗ Little feedback for improvement

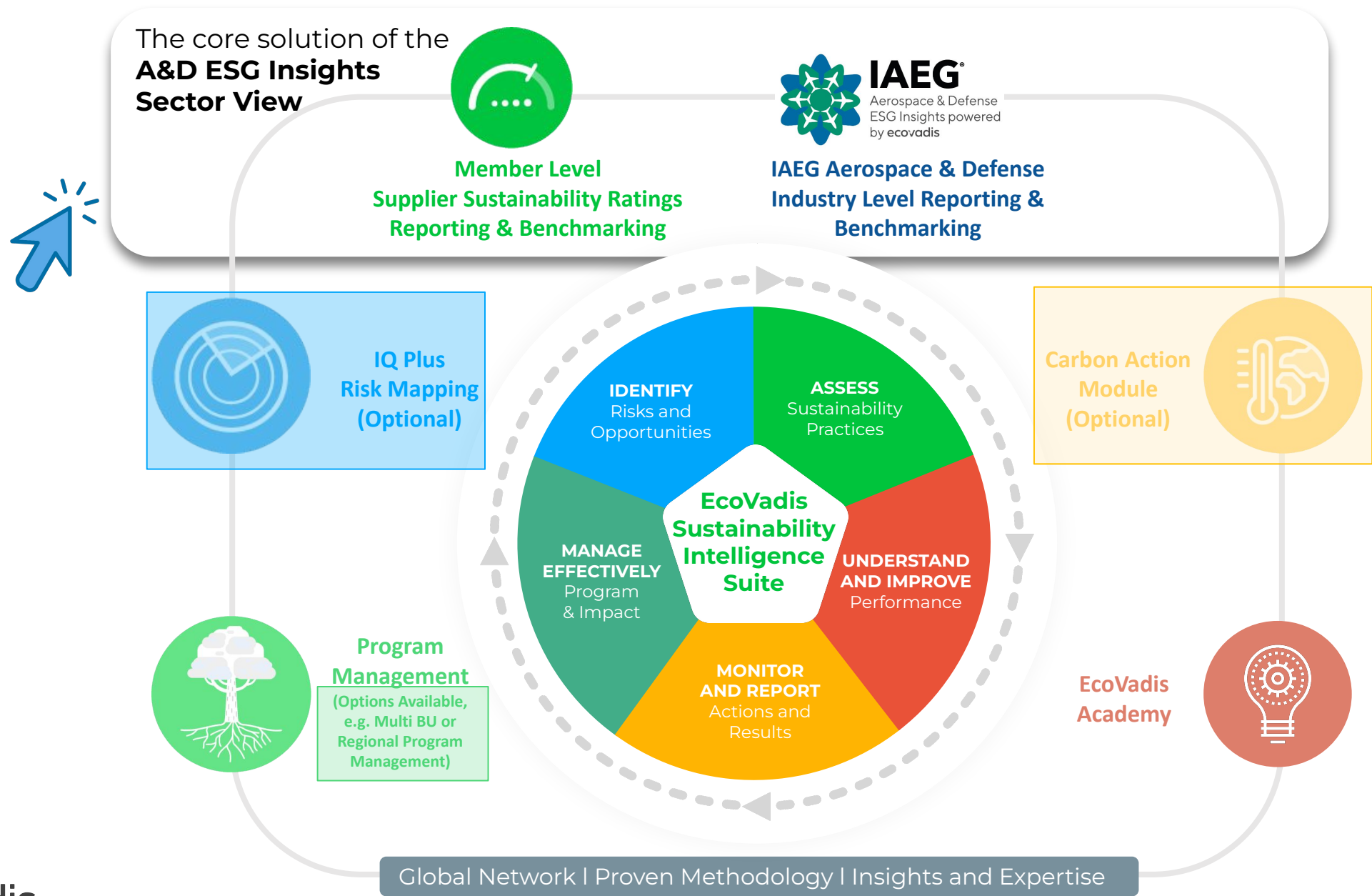
Designed to help respond to Increased Supply Chain Due Diligence Regulations



Accelerate Your Supplier Sustainability Goals: SaaS + Strategic Program Enablement + Peer Collaboration



The EcoVadis Sustainability Intelligence Suite enables impact at scale



Methodology Focusing on ESG Priorities



21 Sustainability Criteria Covered in Four Theme Areas



Environment

- Energy Consumption & GHGs
- Water
- Biodiversity
- Local & Accidental 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, Discrimination & Harassment
- External Stakeholder Human Rights



Ethics

- Corruption
- Anticompetitive Practices
- Responsible Information Management



Sustainable Procurement

- Supplier Environmental Practices
- Supplier Social Practices

Based on recognized **international standards**



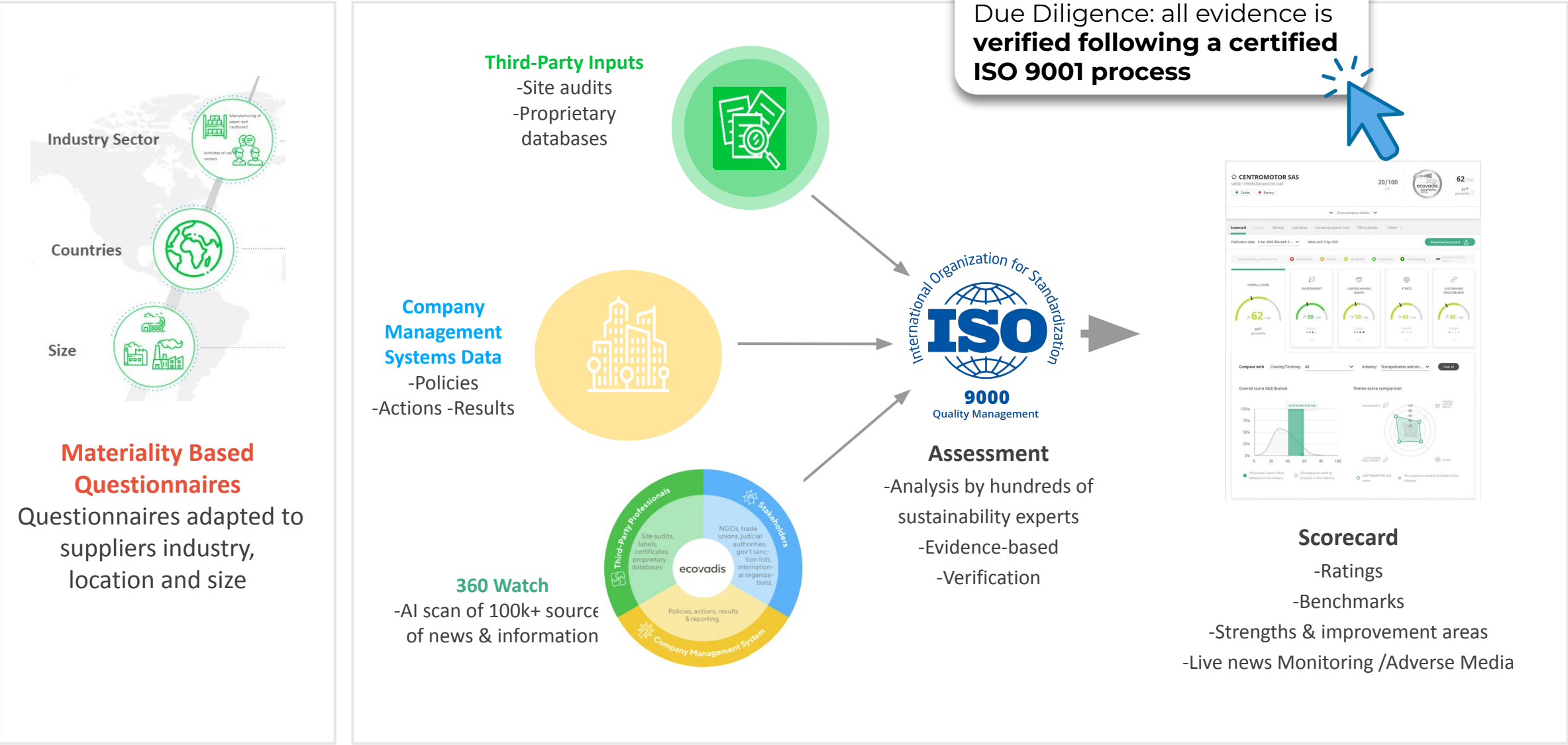


Policies

Actions

Results

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

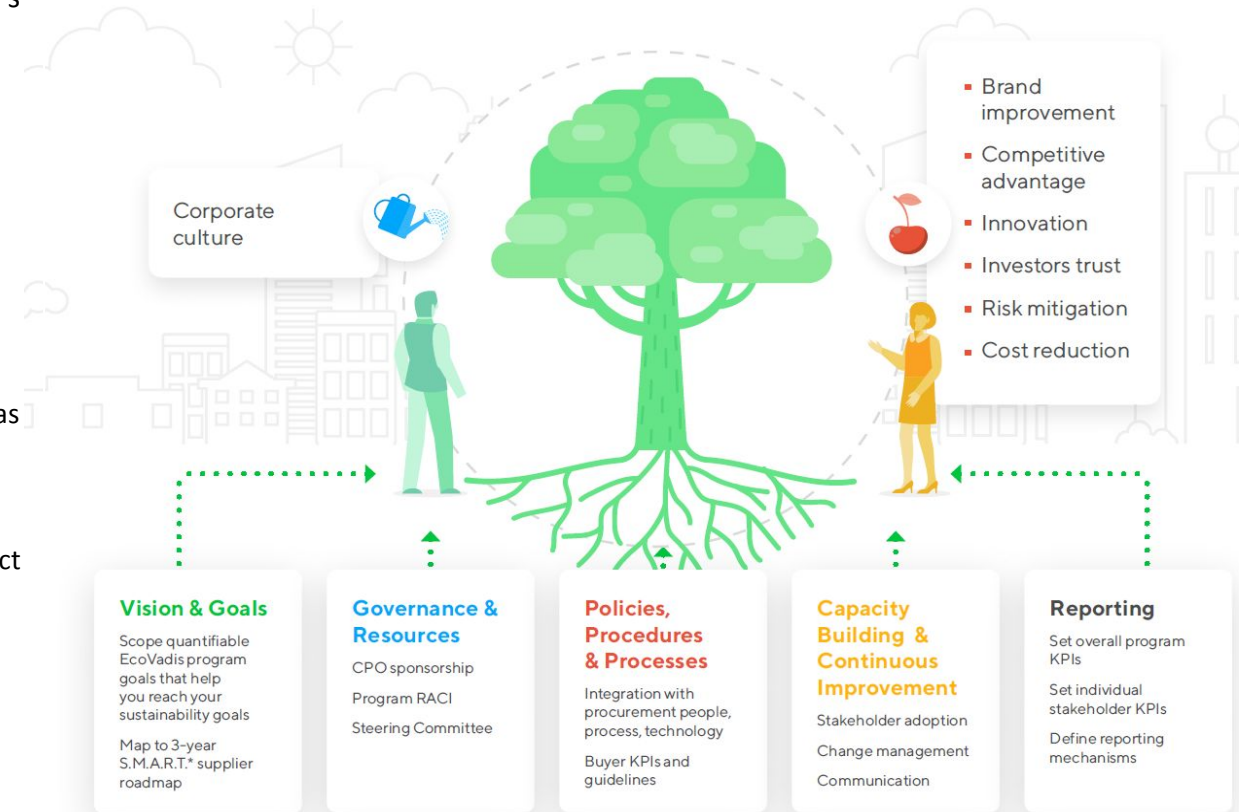


Program Management - Alignment w/ Each Members Goals & IAEG Goals

Client Success Management - Included with IAEG Core Offer

EcoVadis will assign a Customer Success Manager team to manage and scale the Client's program.

- **Client Onboarding**
 - Accelerating program deployment & laying the foundation for long term success.
- **Sustainable Procurement Maturity Analysis**
 - Annual review of Client's program to evaluate the strengths, gaps and progress.
- **Stakeholder Engagement**
 - Training and results debrief of Client's objectives, buyers' roles and responsibilities as well as Ecovadis processes and tools.
- **Program Management and Tracking**
 - Regular meetings between EcoVadis Customer Success Manager and Client project manager to facilitate successful execution of the program.
- **Reporting Tools**
 - Supplier scorecards, user tailorable supply chain reporting, A&D Sector level reporting.
- **Global Steering Committee meeting**
 - Periodic strategic reviews with Client's project team and executive sponsor.
- **A&D Sector Specific capabilities**
 - IAEG driven workstreams, industry level SaaS module with reporting & benchmarking, governance support, A&D sector driven supplier communications.



For more information...

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