

GEMI Case Study

Supply Chain Sustainability

Harmonization Solutions



These case studies examine why and how companies are using certain supply chain sustainability harmonization solutions to impact business decision-making.

Many companies are seeking ways to better understand the sustainability performance of companies within their supply chains while responding to similar requests from their own customers. While the objectives of such efforts are often similar, the format and content vary. Several industry groups and 3rd party platform providers have developed Supply Chain Sustainability (SCS) solutions that streamline the process for gathering SCS data and provide a common framework for assessing the sustainability performance of suppliers. Through case studies, GEMI seeks to highlight examples of how companies are utilizing some of these supply chain sustainability harmonization solutions (i.e., supplier assessments and surveys) to impact business decision-making, and the extent to which these solutions have reduced fatigue related to data collection and reporting for both buyers and suppliers.

SOLUTION: EcoVadis
BUYER: Ciena
SUPPLIER: Ciena

SCS SOLUTION BACKGROUND

EcoVadis provides a solution for monitoring Sustainability in global Supply Chains. Using innovative technology and CSR expertise, EcoVadis aims to help buyers and suppliers adopt more sustainable practices. EcoVadis' mission is to produce reliable scorecards on any company's (including SMEs) CSR performance, providing an easy-to-read scorecard with quantitative ratings, benchmarks, comprehensive feedback, and tools allowing them to embark upon a journey of continuous improvement.

The EcoVadis team of international Sustainable Development experts analyze and cross check companies' data (supporting documents, information watch, etc.) in order to create reliable ratings, taking into account each company's sector, size, and geographical location. EcoVadis offers access to cloud-based solutions, where buyers and suppliers can access the EcoVadis Scorecard and share information. EcoVadis provides highly secured online solutions, ensuring the safety of users' data.

The EcoVadis methodology is based on international Sustainable Development standards (Global Reporting Initiative, United Nations Global Compact, ISO 26000), and supervised by a scientific committee of CSR and Supply Chain experts, to ensure reliable third-party CSR assessment. Thousands of suppliers are using the EcoVadis platform every month to reply to CSR assessment requests from customers, set and maintain corrective action plans or centralize CSR related documents. EcoVadis methodology is adapted to over 150 industry sectors, 120 countries, and company size from SME to multinational, so the questionnaire is suited to the company being evaluated.

The EcoVadis solution provides reliable ratings on a 0-to-100 scale which enables a performance-oriented approach to CSR, allowing for incentives and recognition to drive real action and change ('race to the top'). The rating process takes into account existing standards and labels such as ISO standards, and hundreds of local or sector-specific endorsements. The system allows for benchmarking of ratings across categories and regions giving suppliers and procurement teams a rich context for understanding performance, and how to prioritize improvements. The online platform enables efficient sharing, transparency and control of CSR ratings/results, and the collaborative tools for buyers and suppliers promote working together on improvement plans.

BUYER PERSPECTIVE

Ciena Corporation is a United States-based, global supplier of telecommunications networking equipment, software, and services that support the delivery and transport of voice, video and data service. Prior to selecting EcoVadis, Ciena used the Electronics Industry Corporate Citizenship (EICC) Self-Assessment Questionnaire. Ciena wanted to enhance their supplier evaluation process with more comprehensive criteria, validated evidence to establish due diligence and the ability to benchmark supplier performance.

Ciena feels that the scorecard feedback is relatively easy to use and understand and includes integrated corrective actions. The format highlights focus areas which is helpful when talking with buyers about a supplier's performance. The EcoVadis team manages the onboarding and assessment of suppliers and Ciena has found this to be good value, financially. Ciena particularly appreciates that suppliers are asked to provide documentary proof for all questions.

In addition to their use of EcoVadis, Ciena performs targeted audits either to address a vulnerability they perceive or if requested by a customer (can be in tier 2 or even tier 3). Ciena still utilizes the EICC assessments to cross check some information, but are not conducting new evaluations through EICC.

The following departments within Ciena utilize the SCS data collected from suppliers: the procurement organization, CSR and legal team for augmenting compliance due diligence (e.g. modern slavery and conflict minerals). Procurement have access to the results to support quarterly business reviews including risk profiling of the supplier base to know where they need to take action to improve. Ciena is targeting a minimum score of 45 for suppliers and many are still working to achieve that. Mark Stevens, Director of Corporate Social Responsibility, Ciena Corporation shared that their "next step is to integrate the EcoVadis CSR ratings into our new supplier selection process along with quality, delivery, and cost."

SUPPLIER PERSPECTIVE

Ciena Corporation utilizes the EcoVadis platform as both a buyer and supplier. Stevens offered, "Our experience is that with the proper preparation the data submittal process is not overly burdensome. It may take longer to upload everything compared to some of the other systems we've used, but this is due to the request for more comprehensive information."

Compared to similar requests from other customers, Ciena views the EcoVadis survey as much more comprehensive in coverage and content. Ciena believes that it provides a better outcome for the buyer, but it does take longer. The questions asked are indeed adapted to their business activity. They know this firsthand because they were reclassified several years ago (when their EcoVadis score was about 50) from manufacturer to non-fab outsourced manufacturer. The questions became more relevant. Ciena now has a score of 71, which is "gold level" and in the top 3% of performers. "The 'reward' is that the accomplishment is acknowledged and Ciena is respected for great practices," shared Stevens.

As a supplier, Ciena wants to see their own performance improvement. They have managed to do this through program improvements, and as their scores have gone up they have come to value the maturity index. The EcoVadis platform allows for direct feedback and suggested improvement areas from customers through the scorecard and benchmarks provided on the platform.