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Sustainability Clauses in Commercial Contracts: The Key to Corporate Responsibility

2018 Study of CSR Contractual Practices Among Buyers and Suppliers

A Regulatory Evolution

New transparency requirements, along with growing social, legal and reputational risks, require businesses to report on any activities aimed to prevent, mitigate or repair CSR impact in their supply chains.



CSR Clause Adoption Rate Around the World



CSR Clauses in Contracts Significantly Improve Sustainability Performance

Buyers

70% include a CSR clause in their contracts, covering key issues.

Suppliers

80% have signed contracts that include a CSR clause, and the majority are in favor of them.

Have your contractual commitments made you change your practices?







Great Variety Across the Board

The study identified numerous clause types and large discrepancies in how they are applied. This led to the development of four key criteria for constructing more effective CSR clauses: precision, verifiability, enforceability and coverage depth.



Most CSR clauses are not sufficiently detailed, with 75% referencing generic regulations.

Adapting a CSR Clause to Specific Needs and Ensuring Its Compatibility With the Entire Contract





Buyers

25% adapt CSR clauses depending on the sector and size of the supplier.

Suppliers

More than 50% of suppliers say they have come across CSR requirements that were impossible to achieve given the price and quantity of the product required as well as the timing indicated in the contract.

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EcoVadis is the world's most trusted provider of business sustainability ratings, intelligence and collaborative performance improvement tools for global supply chains. Backed by a powerful technology platform and a global team of domain experts, EcoVadis' easy-to-use and actionable sustainability scorecards provide detailed insight into environmental, social and ethical risks across 190 purchasing categories and 150 countries. Learn more on ecovadis.com, Twitter or LinkedIn.



Affectio Mutandi is the first agency specializing in strategy on environmental, social and governance (ESG) issues. It offers an innovative, hybrid approach to CSR, crisis and corporate communication, public affairs, legal counseling and NGO relations, essential for organizations facing the challenges of a globalized world and an evolving normative landscape. affectiomutandi.com

A quantitative study conducted online among 569 companies (50 buyers and 519 suppliers) from November 16, 2017 to January 12, 2018, supplemented by in-depth interviews with 20 stakeholders between November 2017 and January 2018.

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