

How Interplex Uses ESG Ratings to Create Sustainable Value and Gain a Competitive Edge: **A Case Study**



When Interplex was first asked by a customer to undergo an EcoVadis assessment in 2015, it recognized an opportunity to build on its existing ESG efforts. The global company was not content to simply keep pace with its peers on sustainability – it saw the value in becoming a leader. This case study explores how Interplex has consistently leveraged EcoVadis Ratings to drive sustainability improvements, create value for stakeholders and earn a place in the top 1% of our network.



About Interplex

Interplex, acquired by a private equity firm in early 2022, has a global footprint spanning 33 manufacturing sites across 13 countries. With a unique multi-disciplinary approach spanning the electromechanical and mechanical engineering disciplines, the company solves complex design challenges and optimizes customers' total cost of ownership. Its direct operational activities include precision metal stamping, injection molding, mechanical assembly and die casting. All of these activities have sustainability impacts and risks – including energy and water use, chemical management, and worker health and safety – that Interplex works to reduce and mitigate. Procuring plastics and metals from more than 2,000 suppliers, the company also faces an array of supply chain challenges related to labor and human rights, particularly around mineral sourcing.

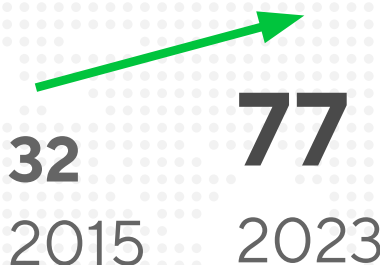


13,000+
employees

13
countries

33
manufacturing sites

EcoVadis Rating



Interplex's Sustainability Journey

Building on a Solid Foundation

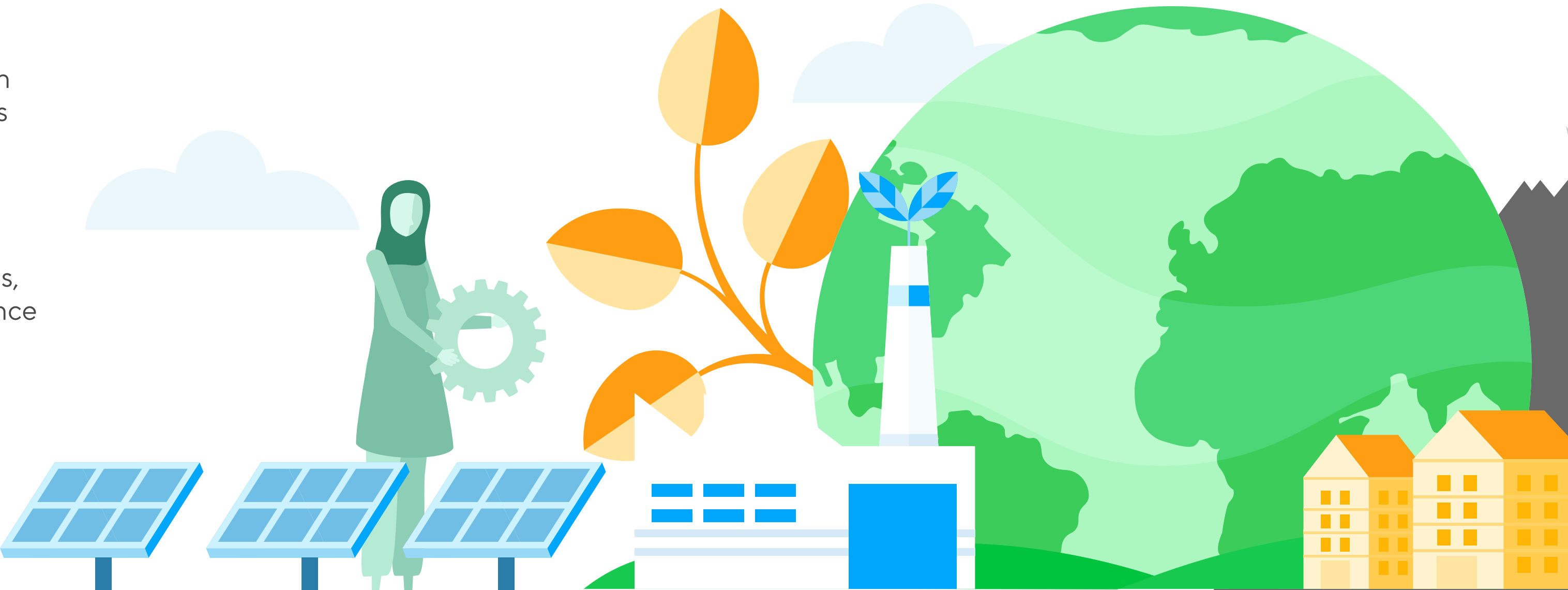
Interplex obtained its first ISO 14001 certification for environmental management more than 15 years ago and has participated in CDP assessments for the past decade. From this solid foundation, Interplex has accelerated its efforts in recent years and significantly expanded the scope of its sustainability management system. In 2020, it conducted its first materiality analysis to develop an organization-wide framework for measuring progress on reducing emissions and waste, enhancing water efficiency, improving worker safety, promoting diversity and equity, enhancing transparency and preventing human rights abuses in the supply chain.

Using EcoVadis Ratings To Accelerate Its Efforts

EcoVadis Ratings and the insights they provide have been integral to Interplex's ability to drive progress on these topics in recent years. It used its early assessment results to baseline its performance and benchmark against peers – a crucial step given that it needed to know exactly where it stood in highly competitive industries that are ramping up their focus on sustainable procurement. Insights gleaned from subsequent assessments have been used to strengthen existing ESG policies and develop new ones, set targets and implement actions to address performance gaps and capitalize on opportunities. Interplex's commitment to the cycle of continuous improvement is paying off. As its sustainability highlights show, the company is making real progress on its most material challenges, enabling it to reduce operational impacts and leverage its ESG performance as a key market differentiator.

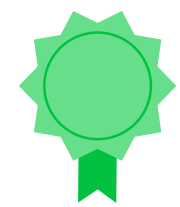
Interplex's 2021 Sustainability Highlights

- 2nd** annual GRI-aligned sustainability report published in 2022
- 91%** of manufacturing facilities ISO 14001 certified
- 37%** reduction in water usage across its facilities globally since 2019
- 11%** reduction in Scope 1 and 2 emission intensity since 2019
- 40.9%** women representation in its workforce
- 3,165 MWh** in solar energy capacity (12% of facilities now produce solar energy)



Scaling Sustainability Through the Supply Chain

Interplex’s sustainability efforts go beyond its direct operations. This is important as the company operates in sectors that are known to have elevated environmental and human rights risks in their supply chains. Through its comprehensive sustainable procurement framework, Interplex holds its more than 2,000 suppliers to the same ESG standards it applies to its own operations. A rigorous supplier code of conduct is supported by consistent supplier engagement, which includes self-assessments and onsite compliance audits. Interplex plans to roll out a more comprehensive supplier audit program in coming years and utilize a key feature of EcoVadis’ Premium service that enables rated companies to invite suppliers to undergo assessments of their own. When a rated company becomes a requesting company in the EcoVadis network, it is able to cascade its sustainability efforts and scale positive impact.



34% of its suppliers ISO 14001-certified in 2021



Conducted onsite assessments for **21% of its suppliers in 2021**



100% of the 3TG minerals it sources from smelters are certified conflict-free by the Responsible Minerals Initiative

Private Equity and ESG: From Risk Management to Value Creation

In addition to sustainability being a key differentiator in its relationships with customers, Interplex’s ESG efforts and ability to demonstrate progress through consistent EcoVadis Ratings have helped shape the company’s capital and corporate growth story. Among the wide-ranging factors that contributed to the company's acquisition by a leading private equity (PE) firm in early 2022, ESG performance played an important role.

Investors are increasingly recognizing the value creation potential of sustainability. More and more PE firms are integrating ESG considerations into every stage of their decision-making – from deal sourcing to exit – and into their engagement strategies with portfolio companies. As we explore in our whitepaper [From Risk Management to Value Creation](#), a staggering **88% of limited partners** consider ESG performance when investing in PE funds and **66% of general partners** claim that “value creation” is a leading ESG driver for them. Interplex demonstrates how companies can leverage their sustainability performance to not only build better relationships with customers but also create enterprise value and access capital.

“The EcoVadis platinum rating reflects our deep company commitment to creating long-term sustainable value for our investors, customers, employees, stakeholders and communities. We also believe it gives us a competitive edge in the global marketplace.”

Alex Perrotta
CEO, Interplex

The Path to a Platinum Rating

2015: Baseline and Benchmarking



EcoVadis Rating as of December 2015

Interplex embarked on its EcoVadis journey in September of 2015, earning a 32 on its initial assessment. Although it performed well on the Environment theme, its scoring on Labor & Human Rights, Ethics and Sustainable Procurement indicated significant room for improvement. However, upon re-assessment just three months later, the company was able to improve its score by 13 points. This leap over a short time frame was the result of Interplex optimizing its questionnaire answers, developing more comprehensive policies and providing more concrete evidence around existing policies, actions and reporting mechanisms. The 45-point rating reflected the solid ESG foundation the company had worked to build and vaulted it into the top 50% of the network.

2016-2020: Refining and Improving

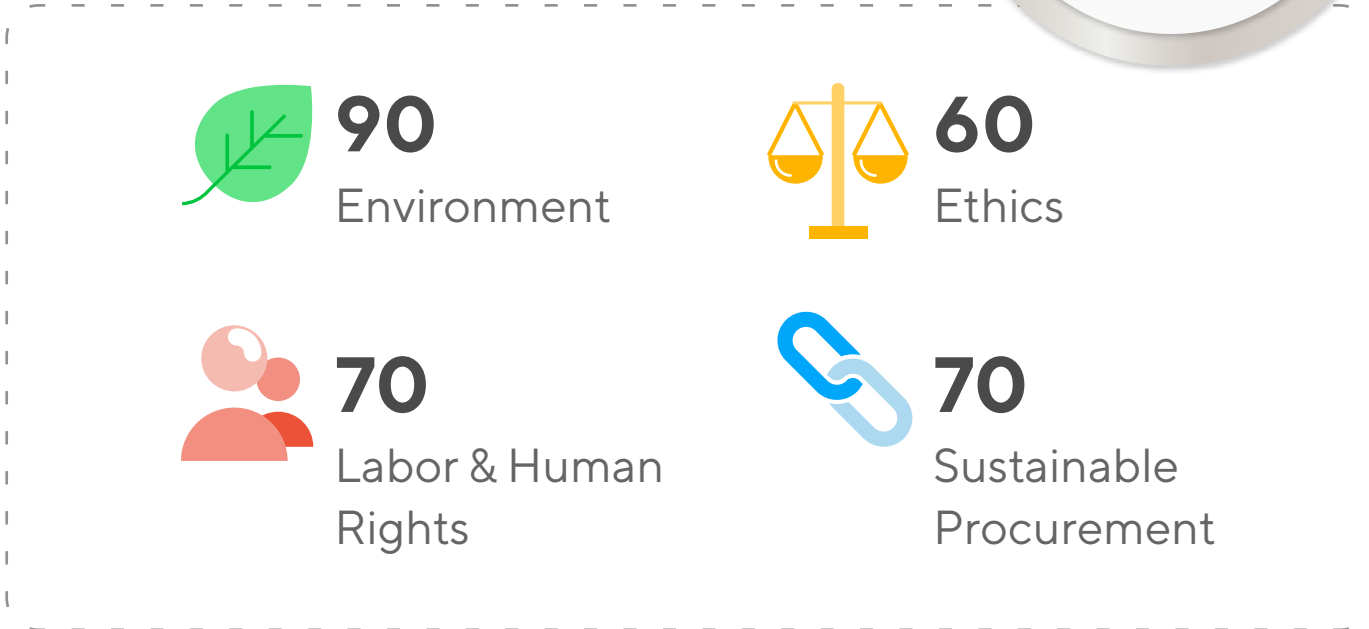
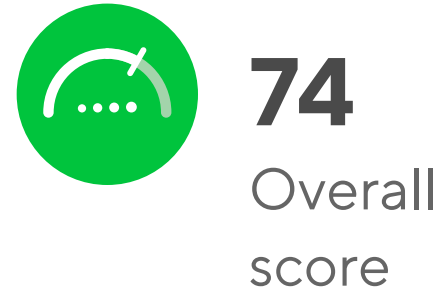


EcoVadis Rating as of October 2020

The initial assessments provided Interplex with deep insights into its strengths and improvement areas across the four themes. Ranked by priority from low to high, improvement areas provide a roadmap for where a company should focus its efforts to enhance its sustainability management and, thus, its rating. The 2015 results indicated that, among other priorities, Interplex needed to expand its reporting on topics across all themes, align its efforts with external sustainability initiatives (e.g., GRI), provide better evidence of actions taken on ethics and labor and human rights, and monitor the percentage of suppliers covered by assessments.

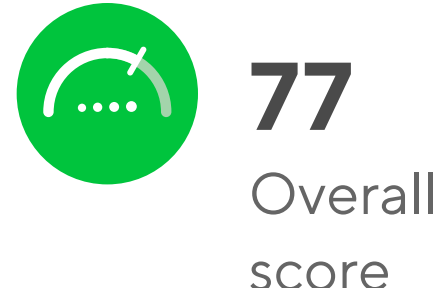
Interplex set to work on refining and improving its approach. While its overall and theme scoring fluctuated over the next four assessments, it was able to maintain its position in the top half of the network. Building a world-class sustainability management system is challenging and, despite the lack of linear progress over this period, the company remained highly committed and engaged.

2021: Seeing Results and Scaling Ambition



EcoVadis Rating as of November 2021

2023: Advanced Performance Across all Themes



EcoVadis Rating as of January 2023

In late 2021, Interplex achieved an impressive score of 74 – putting it in the top 1% of all rated companies. It was able to elevate its Environment performance to a level rarely seen in our global network and crossed the “Advanced” performance threshold (65+) on the Labor & Human Rights and Sustainable Procurement themes. Interplex’s consistent efforts over the span of seven assessments set the stage for this 25-point increase. However, the following steps the company has taken since 2020 have been instrumental to improvement:

- ✓ Developing topic-specific policies within each core theme (e.g., energy consumption and GHGs, diversity and inclusion, child and forced labor, various ethics issues, conflict minerals, etc.)
- ✓ Setting quantitative objectives on its most material sustainability issues (from carbon to diversity and inclusion to sustainable procurement)
- ✓ Implementing sustainability best practices across all themes (e.g., purchasing and generating renewable energy, implementing better whistleblower procedures, undergoing third-party onsite audits on ethics issues, training suppliers on social and environmental practices, etc.)
- ✓ Enhancing reporting and aligning these efforts with external frameworks (e.g., reporting in line with GRI standards and external assurance of reporting by a third party)

Interplex built on this progress in early 2023 with an overall score of 77. This increase, propelled by 10-point gains on both the Ethics and Sustainable Procurement themes, keeps the company firmly within the top 1% of the EcoVadis network. It elevated its management of Ethics issues to an “Advanced” level by implementing additional controls and enhancing its reporting mechanisms. On the Sustainable Procurement theme, Interplex launched a global supplier diversity program and fortified its measures to ensure conflict-free mineral sourcing.

Leveraging the EcoVadis Strategic Training Partner Network

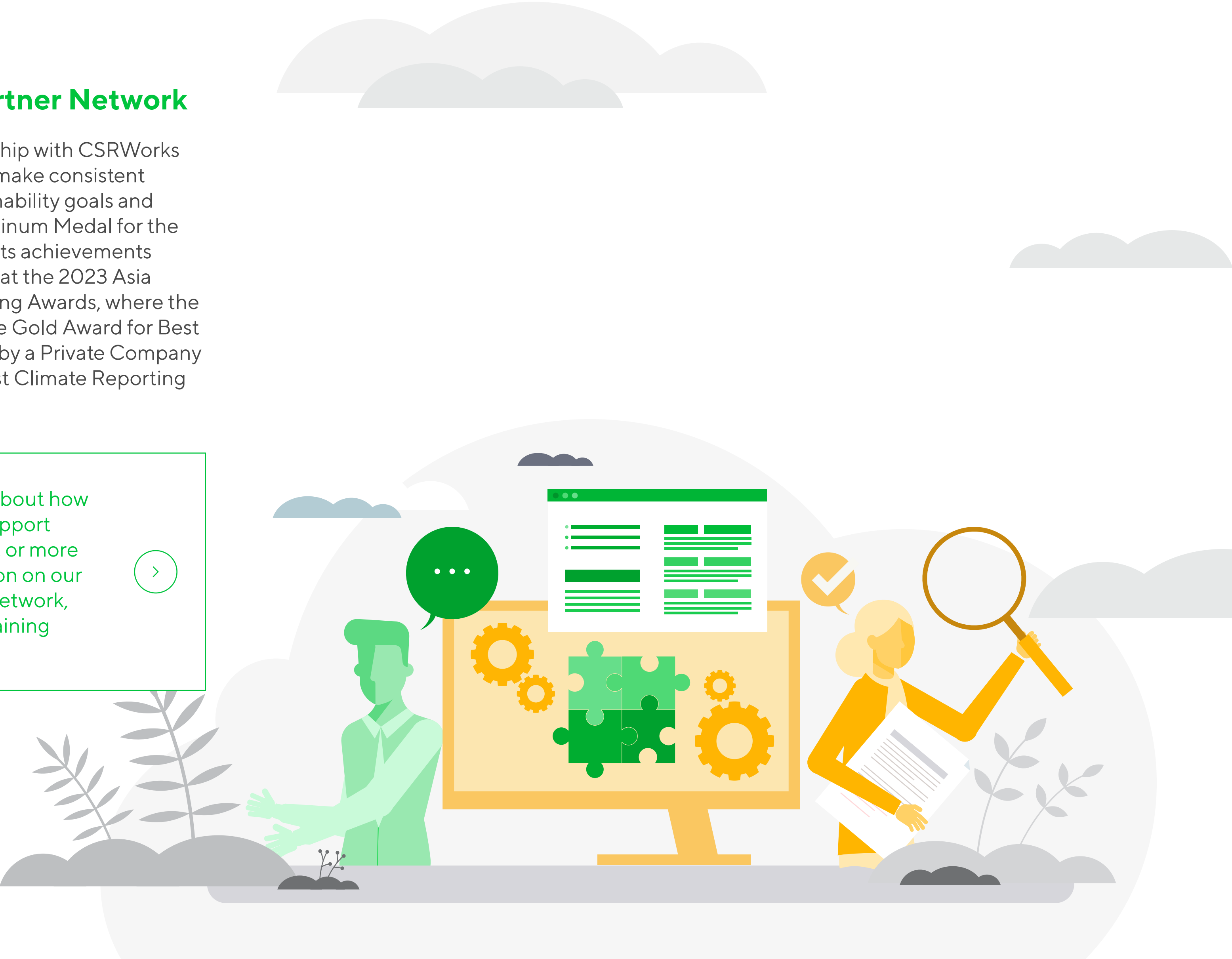
In 2020, Interplex began working with CSRWorks, a leading sustainability consultancy and EcoVadis Strategic Training Partner. CSRWorks has collaborated closely with Interplex to help the company boost stakeholder engagement and build foundational sustainability knowledge.

CSRWorks delivered training sessions designed to educate key Interplex stakeholders on their EcoVadis assessment results, helping the company identify crucial areas for improvement and transform valuable insights into an actionable roadmap for success. Additionally, CSRWorks ran a series of workshops to build senior management’s capacity on key sustainability topics and support executive sponsorship of sustainability programs.

With CSRWorks’ support and guidance, Interplex has introduced sustainability initiatives ranging from waste reduction and improved energy efficiency to employee diversity and community support. It has also implemented targeted sustainable procurement measures, including supply chain assessments, and formed lasting partnerships with sustainable suppliers.

The ongoing partnership with CSRWorks has helped Interplex make consistent progress on its sustainability goals and earn an EcoVadis Platinum Medal for the second year in a row. Its achievements were also recognized at the 2023 Asia Sustainability Reporting Awards, where the company received the Gold Award for Best Sustainability Report by a Private Company and Bronze in the Best Climate Reporting category.

To find out more about how CSRWorks can support your organization, or more general information on our Training Partner network, please visit our Training Partner webpage. [>](#)



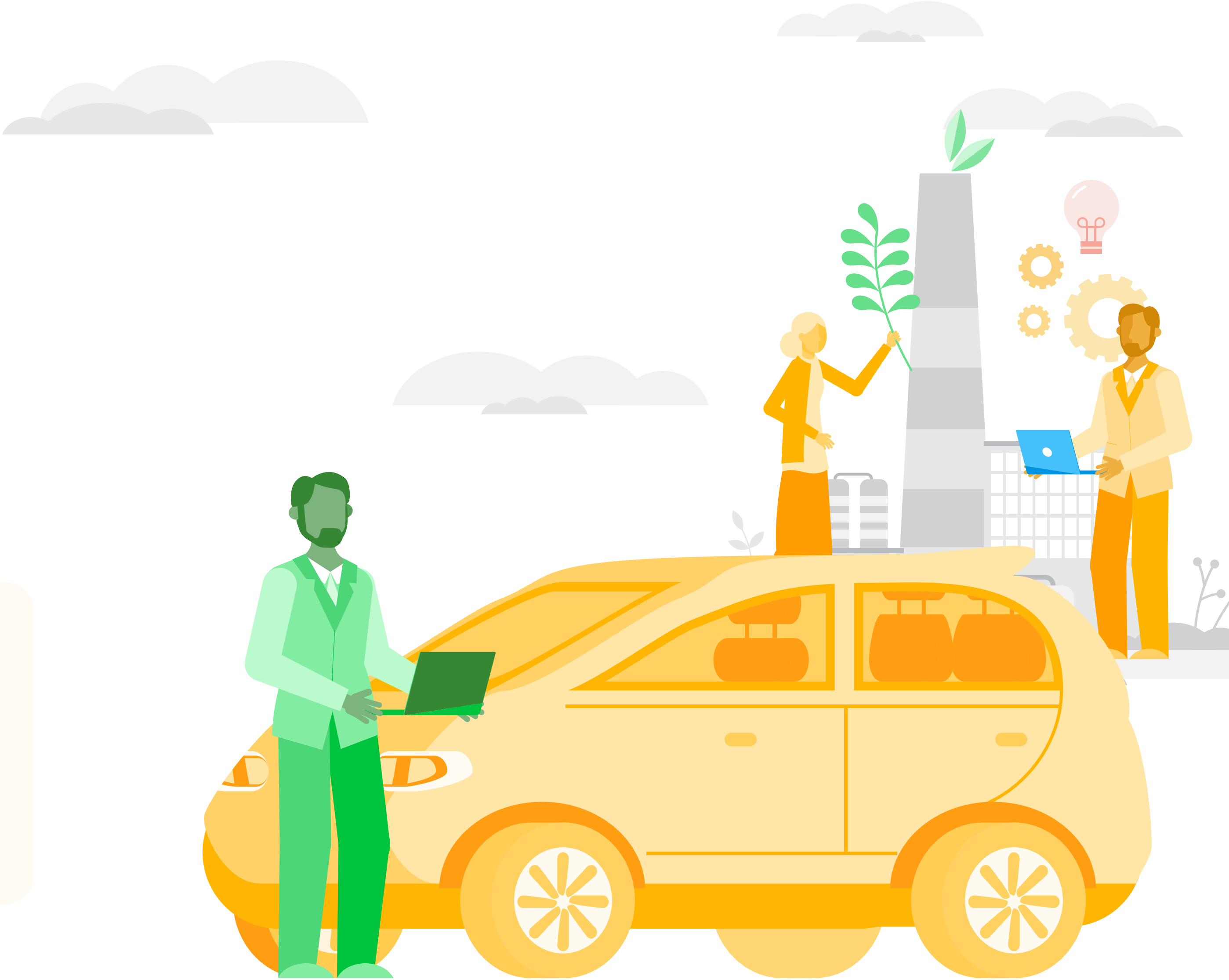
Next Steps on the Journey

Sustainability is an ever-evolving journey and even the leaders have a long way to go to truly generate positive impact for people and the planet. Acutely aware of this, Interplex continues to raise its ambition. It recently published its first TCFD-aligned report, committed to setting science-based targets for emissions reduction and began reporting on its Scope 3 emissions. Building on these steps will be essential if the company is to achieve its target of cutting absolute emissions by 50% by 2030. Beyond carbon, Interplex has set a number of ambitious goals around reducing waste, improving water conservation, increasing its use of renewable energy and sourcing more responsibly. The EcoVadis solution has helped Interplex build a holistic and robust sustainability management system that will enable it to scale and accelerate efforts around carbon and its other material issues – giving it a competitive edge and enhancing its value along the way.



We are extremely proud of our EcoVadis platinum rating, which puts us in the top 1% of rated companies. We recognize that our actions have ecological and societal impacts, and strive to curb the negative effects while maximizing positive outcomes."

Nantha Kumar Chandran
Chief Sustainability Officer, Interplex



About EcoVadis

EcoVadis is a purpose-driven company whose mission is to provide the world's most trusted business sustainability ratings. Businesses of all sizes rely on EcoVadis' expert intelligence and evidence-based ratings to monitor and improve the sustainability performance of their business and trading partners. Its actionable scorecards, benchmarks, carbon action tools, and insights guide an improvement journey for environmental, social and ethical practices across 200 industry categories and 175 countries. Industry leaders such as Johnson & Johnson, L'Oréal, Unilever, LVMH, Bridgestone, BASF and JPMorgan are among the 100,000 businesses that collaborate with EcoVadis to drive resilience, sustainable growth and positive impact worldwide. Learn more on ecovadis.com, [Twitter](#) or [LinkedIn](#).

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