

Q&A

1. What is Railsponsible?

Railsponsible is an initiative focused on sustainable procurement, with the aim to continuously improve the sustainability practices within the railway industry supply chain. In March 2015, Railsponsible was officially launched and kicked off its first priority activity, driving common supplier assessment campaigns using [EcoVadis](#).

Since the start of the initiative around 550 suppliers have been assessed and scored, and results have been shared between the members of the Railsponsible (with the agreement of suppliers).

2. Who are Railsponsible members?

Railsponsible is open to all railway operators and companies across the railway industry value chain, along with key industry associations, that share its vision, mission and commitments.

The current members are:

1. Alstom;
2. Bombardier Transportation;
3. Deutsche Bahn;
4. Knorr Bremse;
5. Nederlandse Spoorwegen;
6. SBB,
7. SKF;
8. SNCF.

3. Why was Railsponsible established?

Sustainability requirements are becoming an increasingly important element of procurement decisions for the railway industry and other industries. Social, environmental, ethical and economic issues are correlated with supply chain risk and opportunity, and as such, companies are increasingly demanding more evidence from their suppliers about their practices in these areas.



4. What are the benefits for members?

Railsponsible members have the opportunity to:

- » **Demonstrate leadership** in sustainable procurement practices specific to the railway sector by joining this industry initiative.
- » **Track the sustainability performance of suppliers** and improve internal sustainability risk management processes
- » **Drive and gain insights into the overall industry performance**, through participation in industry-wide supplier assessment campaigns with a common platform and common questionnaire; benefit from the shared efforts to engage and assess supplier sustainability performance and shared KPI reports for the initiative
- » **Share best practices with peers** about how to manage key sustainability trends and challenges in the railway sector

5. What do Railsponsible members do, and what is Railsponsible working on in 2017-18?

Railsponsible members jointly commit to driving good ethical, social, environmental and business practices within the railway supply chain.

To implement the Railsponsible's 2020 Strategy, passed in the end of 2016, over the next months the initiative will focus on the strategy's three workstreams and develop practical tools and approaches around them:

- **Workstream n. 1, Empower Staff and Executives:** With this workstream we aim at making sustainable sourcing part of the DNA of our member companies' purchasing teams, including executives and management. In March 2017, we defined more specifically the content and training methodology.

Tailored to the main audiences, i.e. members' general internal stakeholders, procurement teams, as well as executives and procurement team managers, Railsponsible is working to develop training materials on Responsible procurement that will showcase good practice examples of responsible procurement as well as good practices to engage with suppliers in responsible purchase programs and support suppliers' sustainability performance.

- **Strategy Workstream n. 2, Build common programs:** Over the past month, members identified three areas to drive improvements in the railway supply chain, namely Climate Resilience, Responsible Procurement and Health & Safety and discussed potential programs to address them.

Climate Resilience: Review/recommend tools for suppliers to calculate their product/service level GHG emission; develop guidelines for purchasing.

Health & Safety: Training on standards & certifications and best practice sharing; dedicated engagement and workshops for suppliers in priority countries.

Responsible Procurement's potential program: Develop purchasing practices workshops and create visibility of how sustainability is included across the procurement lifecycle.

In the upcoming months our members will be concretizing actions to foster the programs and will be closely engaging suppliers and stakeholders on these topics.

- **Strategy Workstream n. 3, Expand Railsponsible's network:** The third workstream, focusing on communicating Railsponsible's work and building a network, kicked off earlier this year by signing the [10YFP Sustainable Public Procurement Program](#) of the United Nations Environment Programme (UNEP).

For the rest of the year, Railsponsible will be attending a number of events and conferences through speaking opportunities, workshop engagement, Railsponsible's own stand or simple participation.

We plan to hold a workshop and set up a stand at [RailwayForum Berlin](#), August 2017, and be present at the [5th Global Strategic Sourcing and Procurement Summit in September 2017 in Amsterdam](#) and the [Ethical Corporation Sustainable Supply Chain Summit](#) in October 2017 (tbc), London.

6. What does it mean to become a member??

Membership of Railsponsible is open to any company in the railway industry supply chain that believes in the vision and mission of the initiative, with the following requirements.

Members must: have their CPO sign the Initiative Charter, demonstrating that their company shares the vision, mission and commitments of the organization; sign the Initiative Scope of Work and pay the annual membership fee; and have a sustainability assessment system in place that covers at least 60% of relevant procurement spend, either through use of EcoVadis (Member type A) or another equivalent system (Member type B).

Note, in June 2017, Railsponsible's Leadership Committee approved a revised membership model opening up for companies that do not use EcoVadis but want to become part of Railsponsible membership and work on the initiative's common actions.

Figure - Railsponsible's governance structure

		New membership model	
		Member A	Member B
Common to member types		<ul style="list-style-type: none"> • Participate in Railsponsible meetings and workstreams and pays membership fee • Supplier assessments cover at least 60% of the member's procurement spend 	
	Specific to each member type	<ul style="list-style-type: none"> • Uses EcoVadis as preferred assessment system (sharing model) but has the possibility to use additional systems • Demonstrates that additional system is equivalent to EcoVadis system • CPO (or equivalent) is eligible for Leadership Committee 	<ul style="list-style-type: none"> • Uses other supplier assessment system/s • Demonstrates that supplier assessment system is equivalent to EcoVadis system • CPO (or equivalent) is not eligible to Leadership Committee

7. How is Railsponsible governed?

Railsponsible is technically a voluntary membership group of companies. It is facilitated by [BSR](#), a global not-for-profit organization that works with global business on sustainability issues.

Members of Railsponsible have committed to comply with all relevant antitrust and competition laws and regulations, and the initiative has enacted an antitrust statement that is published on the website.

Railsponsible has two main governance bodies who determine the strategy and drive the activities for the initiative:

- The **Leadership committee** is made up of the CPOs (or relevant C-suite representative) of each Member type A company. The leadership committee has oversight for the initiative.
- The **Membership committee** is made up of representatives from each of the participating companies (Member type A and B); this group has the role to plan and implement the activities for the initiative.

8. What has been achieved so far regarding supplier assessments?

Supplier assessments are an essential part of Railsponsible offering members valuable insights into their supply chain:

- Since April 2015, the Railsponsible's members have been engaging more than 1600 suppliers assessed on their CSR practices through the EcoVadis rating platform.
- To date, around 550 suppliers have been scored and the resulting scorecards are helping Railsponsible members' procurement teams to monitor the sustainability practices of their supply chains.
- Results show that overall suppliers' performance varies between geographical regions: North American and European suppliers are outperforming suppliers based in the Asia-Pacific region
- For instance, compared to other sectors, Railsponsible suppliers appear to be more mature in environmental issues (e.g. 75% of suppliers are ISO 14001 certified – at least one site). However, on a less positive note, the difference between high and low performing companies is increasing, i.e. some companies continue to invest considerably in their CSR practices while others have clearly not made it a priority.

9. What is the relationship between Railsponsible and other initiatives in the rail sector, such as IRIS and the ERPC Sustainable Procurement Working Group?

There are other railway industry initiatives that Railsponsible members and stakeholders are aware of and involved in.

IRIS (the International Railway Industry Standard) is a globally recognized certification standard in the railway sector for the evaluation of management systems, applicable to Rolling Stock and Signaling companies. IRIS is promoted by UNIFE, and supported by operators, systems integrators and equipment manufacturers. IRIS and Railsponsible are aligned in the pursuit of improving practices; however, the approaches and areas of focus are different. The IRIS system is focused on onsite audits and certifications of technical, quality and environmental management systems, and applies to rolling stock and signaling companies. Railsponsible is a forum for exchange of CSR and sustainability practices for the whole rail industry value chain, and does not involve certification, instead relying on desktop assessments with document evidence from suppliers.

The **ERPC** (European Railway Procurement Council) established a sustainable procurement working group, which meets periodically to discuss relevant topics in relation to sustainable procurement. The focus of these discussions to date have been around technical environmental specifications rolling stock and other equipment manufacturers, with the aim of improving products.

Railsponsible will continue to actively engage with these and other related initiatives.

For more information, please contact railsponsible@bsr.org

For Suppliers:

10. How can railway industry suppliers participate in Railsponsible?

There are two ways in which suppliers can participate in Railsponsible: (1) Participate in the common supplier assessment program, and (2) Join as full members of Railsponsible.

1. *Participate in the common supplier assessment program*

Suppliers will receive a request from one or more of their railway industry customers, members of Railsponsible, to sign up to EcoVadis and have an assessment performed by [EcoVadis](#). EcoVadis will manage the entire assessment process. Suppliers will have to respond to one common questionnaire.

On the EcoVadis system, suppliers have full control over who can see their information and assessment results, and can opt to share this information with any of the Railsponsible members who are their customers. Railsponsible members will have visibility over a list of supplier names that are participating as well, so that suppliers and buyers can easily connect to share information if relevant, reducing duplication of effort for suppliers. The EcoVadis assessment must be renewed annually.

2. *Join as members of Railsponsible*

Membership of Railsponsible is open to any company in the railway industry supply chain that believes in the vision and mission of the initiative, and is able to meet the requirements of joining, as described earlier in this document.

11. What are the benefits for suppliers of Railsponsible?

Suppliers that engage with Railsponsible have the opportunity to:

- » **Demonstrate commitment to good ethical, social, environmental and business practices** to customers and potential customers
- » **Get ahead of the sustainable procurement requirements curve;** as more buying organizations increase their demands for sustainable practices and start to incorporate sustainability criteria into their awarding criteria, participation the
- » **Benefit from the shared supplier assessment approach;** one assessment will be valid for multiple clients; with a common online platform and common questionnaire requested by your customers, thus avoiding duplication of efforts and costs in responding to multiple requests of assessments from buyers.
- » **Benchmark your sustainability practices** against companies in the same industry sector, and identify strengths and possible areas for improvement

For more information, please contact railsponsible@bsr.org

About BSR

BSR is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

Visit www.bsr.org for more information about BSR's 25 years of leadership in sustainability.

About EcoVadis

EcoVadis was incorporated in Paris, France early 2007 with the objective of becoming a trusted partner of procurement organizations aiming at implementing sustainable supply management practices.

EcoVadis aims at improving environmental and social practices of companies by leveraging the influence of global supply chains.

Combining innovative information technologies and a shared service expertise on sustainable procurement topics, EcoVadis wants to help procurement organizations improve their performance, while reducing the costs associated to suppliers CSR performance monitoring.

Visit www.ecovadis.com for more information.