

# change results

**Activity Report** 

2024



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TOGETHER FOR SUSTAINABILITY



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# Message from the President

SUSTAINABILITY

Dear TfS members, suppliers, and friends,

As we close another year, our shared mission - driving sustainability across global supply chains - is more critical than ever. With the clock ticking on the UN Sustainable Development Goals and mounting climate challenges, bold and accelerated action is no longer optional. It requires the dedication of the entire TfS community. Reflecting on what we achieved together in 2024, I am confident we are on a promising path to make significant progress.



This year has been transformational with the launch of *Accelerate4Impact*, the TfS 2030 strategy. Accelerate4Impact is designed to enable us to drive faster and achieve measurable progress toward sustainable chemical supply chains. It focuses on making TfS future-proof by delivering tangible results through adaptable and impactful practices.

Initiatives like Excellence Groups will allow members to target specific improvements tailored to their needs. A stronger focus on digitalisation will make sustainability data more actionable, while newly developed KPIs will ensure alignment with our strategic goals enabling us to surpass our targets meaningfully. Additionally, the strategy aims to extend TfS's presence in the industry, to ensure our standards are widely recognised and adopted. Accelerate4Impact positions TfS to meet future challenges with confidence and effectiveness.

### **Key achievements**

Over the past year, we have made significant progress in implementing effective sustainability practices within the chemical industry. The Future-of-Audits initiative has streamlined auditing processes for stakeholders by introducing an updated audit protocol that complies with current legal and regulatory requirements. This ensures efficiency and provides a basis for meaningful improvements and reporting compliance. Additionally, TfS launched a pilot for the Data Transparency project, which combines the efforts of the TfS Assessments and TfS Audits Workstreams to create a centralised data repository. Furthermore, developing priority areas based on assessment and audit Corrective Action Plan data has promoted targeted improvements within supply chains.

Significant progress has also been made in the *Scope 3 GHG emissions programme*. Two milestones were achieved: the release of the PCF Guideline 3.0, which aligns the document with the evolving needs of the industry, and the launch of the PCF Exchange solution. This innovative platform enables members and suppliers to securely and efficiently exchange high-quality data, supporting effective efforts to reduce Scope 3 emissions. The Scope 3 programme has strengthened TfS's presence by collaborating with chemical associations and downstream industries in key regions, reinforcing its commitment to driving sustainability across the global supply chain.

### Strengthening engagement

Supplier engagement has been fundamental to our success this year. The TfS Academy has expanded its offerings by providing comprehensive training and capability-building programmes across all core activities. The number of user accounts of the TfS Academy increased significantly; the number of member user accounts nearly doubled to 5,429 and supplier user accounts increased more than sixfold to 2,400. Through collaborative efforts across our workstreams, TfS has conducted multiple training sessions and webinars, reaching over 2,000 participants. TfS also launched several toolkits for suppliers around key sustainability topics. These initiatives have equipped members and suppliers with the necessary knowledge to implement sustainable practices effectively.

The TfS Regional Teams in Asia, North America and Latin America have also significantly advanced our goals. By partnering with regional chemical associations and hosting joint events, these teams have raised awareness and increased the adoption of TfS standards globally.

### A growing community

Our membership continues to grow, with four new companies — Altana, Symrise, Syensqo and Univar Solutions — joining the TfS family. With 54 member companies, TfS's influence and impact are stronger than ever.

The TfS community has thrived with discussions and exchange of best practices among CPOs. Activities such as #TfSTalks, the TfS Coordinators Roundtable and the Annual Workshop achieved record attendance.

### Looking ahead

As we move forward, TfS remains committed to fostering cross-industry collaboration and building a sustainable future for the chemical supply chain. The urgency is clear, and together we have the tools, knowledge and commitment to meet the challenge.

On behalf of the TfS Steering Committee, I want to thank the entire TfS community: members, suppliers, stakeholders and partners. Your dedication and commitment drive our progress and lay the groundwork for the future. To chemical companies who share our ambition, I warmly invite you to join us and encourage your suppliers to participate in our programmes.

Only *Together* can we truly build a better world.

#### Jennifer Jewson

President TfS

## **About TfS**



SUSTAINABILITY

A **global organisation**, with headquarters in Brussels, Europe



**Regional representation** by TfS members in Asia (China, India, Japan and South-East Asia), Brazil and the USA



Develops and drives innovative responsible sourcing solutions through the global chemical industry

54 members



### € 800 billion

€ 500 billion



### **New Members**

Four companies joined TfS in 2024, bringing the total number of members to 54.

This steady expansion underscores the rising significance of TfS in driving sustainability across the chemical industry's supply chains. As companies face increasing pressure to lower carbon emissions and comply with evolving regulations, TfS provides forward-thinking sourcing solutions that empower businesses to build greener, more collaborative and future-ready supply chains.



**ALTANA**, a global leader in specialty chemicals headquartered in Germany



**Symrise**, a German chemicals company and major producer of flavours and fragrances



**Syensqo**, a specialty materials company headquartered in Belgium



Univar Solutions, a global chemical and ingredients distributor and provider of value-added services with headquarters in the US

# Accelerate4Impact - TfS Strategy 2030

The new TfS strategy for 2030, Accelerate4Impact, aims to catalyse change and speed the development of sustainable, resilient chemical supply chains through effective collaboration and efficiency.

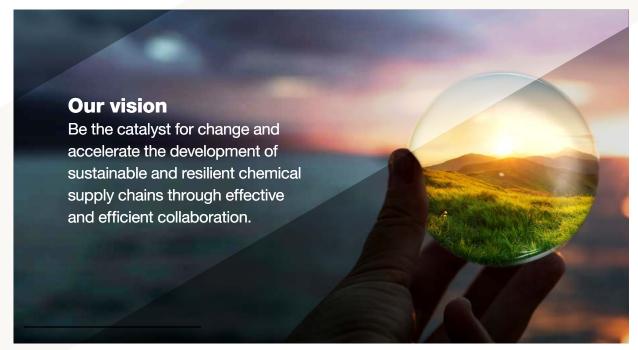
In June 2024, TfS launched *Accelerate4Impact* — our 2030 strategy — aimed at redefining sustainability in chemical supply chains. This initiative builds upon the foundational *Grow&Deliver* strategy, shifting focus from expansion to impactful execution. Accelerate4Impact aims to embed sustainability practices deeply into operations, driving measurable improvements across the supply chain. The strategy prioritises impactful growth, resilience and alignment with sustainability goals across the entire value chain.

Collaboration remains central to TfS's efforts, with member companies sharing best practices, enhancing tools like the PCF Guideline, and engaging suppliers in assessments, audits and emissions reporting. Strict compliance with competition law ensures these collaborations maintain transparency and effectiveness. New measures, including Excellence Groups, will leverage members' expertise for targeted improvements. TfS launched several pilots of Excellence Groups where members collaborate on targeted improvement areas based on their unique needs and maturity. Digitalisation will enhance usability of sustainability data.

TfS has also introduced KPIs to better track and exceed strategic sustainability goals. The TfS General Assembly of 18 June 2024 approved the revision and addition of new TfS Assessment and TfS Audit KPIs. These improvements ensure a sharper focus on driving meaningful progress in supplier performance and sustainability practices. A new Global Steering KPI promoting inclusive leadership encourages the establishment of a global network of leaders who bring diverse perspectives to drive sustainability goals forward.

TfS envisions amplifying its voice to drive widespread adoption of its standards. By fostering continuous improvement and emphasising measurable impact, TfS aspires to future-proof its initiatives and lead the chemical industry toward a sustainable, resilient future.







About TfS

Accelerate4Impac

TfS Programmes and Results

TfS Learning



# **and Results**TfS Scope 3 Greenhouse Gas Emissions Programme

The TfS Scope 3 greenhouse gas (GHG) emissions programme continued to advance its work on Scope 3 transparency in the chemical industry. It aims to address the significant share of the industry's indirect GHG emissions.

Workstream 5 (Scope 3 GHG emissions), pooling expertise from people across more than 30 TfS member companies, continued its work along key focus areas:

### STANDARDISED APPROACHES:

Developing standardised methodologies for the chemical industry to quantify corporate Scope 3 – Category 1 GHG inventories and Product Carbon Footprints (PCFs).

### DATA EXCHANGE:

Rolling out a PCF Exchange solution to amplify the flow of PCF data of chemical products and materials along the value chain.

### COOPERATION WITH EXTERNAL PARTNERS:

Collaborating with the external Scope 3 transparency and PCF ecosystem to ensure cross-industry alignment and global harmonisation.

# The programme's accomplishments in 2024 include...

### **Updating the PCF Guideline:**

TfS published the **third version of the PCF Guideline** for calculating Scope 3 Category 1 greenhouse gas emissions in the chemical industry. This update ensures that the TfS PCF Guideline is up-to-date and consistent with the changing requirements of the industry and cross-industry standards for PCF and Scope 3 accounting calculations.

The updated TfS PCF Guideline remains unique as it leverages the extensive expertise and knowledge within the TfS member network to establish a standard for the chemical industry. Additionally, it maintains full compliance with existing standards, including ISO and the Greenhouse Gas Protocol. This ensures that the TfS Guideline continues to meet the changing needs of the industry while effectively addressing PCF and Scope 3 accounting standards.







### PCF Guideline September 2022 – 31 December 2024 Total: 19,929



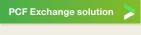
### White Paper

November 2023 – 31 December 2024 Total: **2.428** 



### Roll-out of the PCF Exchange solution:

After the successful pilot phase ended in the first quarter of 2024, TfS launched a PCF Exchange solution, designed to transform transparency and efficiency in the chemical industry. The PCF Exchange solution addresses one of the chemical industry's most pressing challenges: managing Scope 3 emissions, which account for the majority of a company's carbon footprint. The solution, powered by Siemens' SiGREEN technology, enables seamless tracking and exchanging of emissions data across global supply chains. The PCF Exchange solution is available to TfS members, their suppliers, and the wider industry - empowering them to more easily meet their greenhouse gas (GHG) reduction targets in line with the Paris Agreement.





### Catalysing change

Revolutionising the chemical sector: a chemical solution to the Scope 3 problem

Tuesday 29 October 1-2pm CET · 8-9am EDT · 8-9pm CST



# Official Launch of the PCF Exchange solution – 29 October 2024

The public launch of the PCF Exchange solution on 29 October 2024 marked a significant milestone in promoting sustainability within chemical supply chains.

During the webinar, the PCF Exchange solution was highlighted as a transformative tool for helping stakeholders achieve their decarbonisation goals by streamlining, standardising and simplifying the exchange of PCF data.

The event drew 661 participants, with 458 attending live and 203 viewing the recording on the **TfS YouTube channel**.

### Watch at TfS YouTube

Industry leaders, including

Dr. Jennifer Jewson
(TfS President, LyondellBasell),

Nancy Gillis (WBCSD),

Anurag Jain (SRF Limited),
Dr. Verena Buback (Merck),

Valentina Giraldo (IFF) and
Dr. Gunter Beitinger (Siemens)
shared insights on the platform's
potential to accelerate decarbonisation and drive sustainable
practices across the sector.

### **Engaging with stakeholders:**

TfS successfully engaged with a wide range of stakeholders to raise awareness about the TfS PCF Guideline.

Over

80

associations and initiatives have been approached More than

140

engagement points established

Global outreach has been initiated in all regions where TfS operates. The goal is to share best practices and inspire others in the value chain to join TfS in its mission to address Scope 3 GHG emissions and adopt its standards. This effort is reflected in the acknowledgment of the TfS PCF Guideline by 13 associations from various industries. One of the highlights for 2024 was the launch of the groundbreaking PCF Verification Framework in collaboration with Catena-X, designed to enhance trust in PCF data across the automotive and chemical supply chains. Another significant development was the signing of a formal Memorandum of Understanding with WBCSD-PACT.

In 2025, the programme will continue its activities in core focus areas. Projects will include the development of new guidelines for the chemical industry, such as those related to circularity and further implementation of the PCF Guidelines. A key priority for 2025 will be to advance the establishment of the PCF Exchange solution for TfS members and suppliers, and to promote collaboration with other associations and regional TfS representatives.



TfS Workstream 4 (Capability Building and Communications) and Workstream 5 collaborated closely on training members and suppliers, and raising awareness.

# Decarbonisation training programme: a priority over the past year

The decarbonisation training programme for TfS members and suppliers was translated into Chinese, Portuguese, Spanish and Japanese, facilitating global implementation.

A newly developed course compass provides personalised recommendations for courses that help learners progress towards a higher level of maturity in their decarbonisation journey.

Since launching the new decarbonisation programme on the TfS Academy, the most frequently completed learning plans in 2024 all centred on decarbonisation:

Introduction to	The TfS PCF
Climate Change	Data Exchange
	solution - SiGREEN
Learn about TfS	
PCF Guideline	Scope 1 & 2
and how to calculate PCFs	emissions
Climate target setting	Scope 3
	emissions

#### **Decarbonisation webinar series**

TfS hosted a series of six webinars on emission reductions and target setting for members and their suppliers, featuring use cases from member companies. In total, 1,168 participants from members and suppliers attended the following sessions:

Corporate GHG Emissions Reduction Strategies:	nissions Reduction and Process		
131 attendees	153 attendees	223 attendees	
Introduction to Science-Based Targets:	Alternative Feedstocks and Circular Economy:	How to Implement Emissions Reduction Strategies:	
281 attendees	209 attendees	171 attendees	

### **Training webinars on the PCF Exchange solution**

In 2024, TfS partnered with SiGREEN to deliver six webinars on the new PCF Exchange solution to onboard users on the new tool. 163 suppliers and 275 members attended the customised training webinars.

### **Partnership with The Climate Drive**

To enhance the sharing of best practices on decarbonisation of supply chains, TfS partnered with The Climate Drive - an open digital platform powered by the World Business Council for Sustainable Development (WBCSD).



It aims to support companies across all sectors in implementing emissions reduction targets by providing industry-specific decarbonisation guidance.

TfS encourages its members and their suppliers to contribute use cases to the Climate Drive Library which is now integrated into the TfS Academy. A guide has been developed to support their creation and publishing.

### **Enabling supplier engagement: toolkits**

TfS developed multiple toolkits to support a step-by-step approach on various topics and make resources easily accessible.

### **PCF Supplier Toolkit**

This toolkit provides all the necessary resources in one place to help suppliers get started on their PCF calculation journey.



### **PCF Infographic (part of the Supplier Toolkit)**

This interactive tool is designed to engage suppliers on their decarbonisation journey. It helps them understand the challenges of climate change, carbon footprint, GHG emissions (scope 1, 2 and 3), the PCF Guideline and the PCF Exchange solution.

Both the PCF Supplier Toolkit and PCF Infographic are available in English, Chinese, Japanese, Spanish and Portuguese on the Scope 3 GHG emissions page of the TfS website.



Visit PCF Supplier Toolkit





The TfS global supplier engagement programme sets a standard for enhancing sustainability across chemical supply chains. The programme evaluates and elevates suppliers' practices through two key tools: **TfS Assessments** and **TfS Audits**, focusing on critical areas like environmental, labour and human rights, ethical practices and sustainable procurement.

**TfS Assessments**, conducted by EcoVadis – a global leader in CSR Assessments - offer a comprehensive review of suppliers' sustainability performance. Meanwhile, **TfS Audits** (carried out by trusted TfS-approved auditors) examine sustainability practices directly on-site, providing a factory-level perspective compared to the document-focused assessments.

Suppliers can share their results across the TfS network, embracing the principle that "an assessments or audit for one is an assessment and audit for all". This collaborative model fosters industry-wide efficiency, reduces costs and drives continuous improvement - advancing sustainability goals across the chemical sector.

### **Cross-workstream discussions at** the TfS Annual Workshop in Ghent

During the Supplier Engagement session at the Annual TfS Workshop in Ghent, member experts from Workstream 2 (TfS Assessments) and Workstream 3 (TfS Audits) discussed the **supplier's journey** through the TfS Assessment and TfS Audit. They focused on the relevant tools, pain points and challenges that arise during the process. Participants actively engaged in a lively brainstorming session, contributing valuable insights.







In 2024, Workstream 2 (Assessments) focused on data transparency, prioritising action areas, developing corrective action plans and engaging suppliers through training. These efforts have driven meaningful improvements and set a strong foundation for continued progress in the years to come.

TfS has decided to extend its long-term partnership with EcoVadis to conduct Assessments.

#### Some key highlights:

### Enhancing data transparency

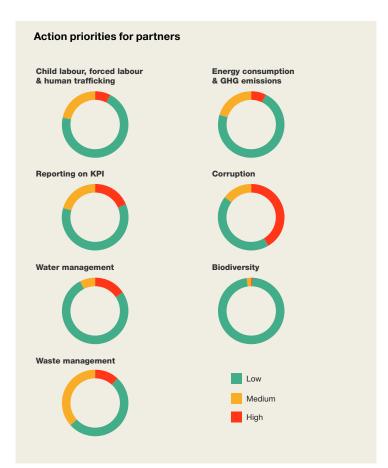
Workstream 2, in collaboration with Workstream 3 (TfS Audits), is dedicated to advancing the Data Transparency Project. This initiative aims to establish a comprehensive data repository integrating information from TfS Assessments, Audits and the TfS Academy. Furthermore, it will connect with the internal reporting systems of TfS member companies, creating a unified platform for data access and analysis. The first phase, including piloting, will be completed by early 2025.

# Corrective Action Plans (CAPs) and data mining

CAPs based on the findings from TfS Assessments and Audits provide member companies with targeted steps to enhance their supply chains. By mining data from these assessments and audits, TfS members identify key areas where significant improvements can be made. This data-driven approach has also guided TfS capacity building in target countries and among suppliers, ensuring that efforts are focused on areas with the greatest potential for impact.

### Action priorities dashboard

Launched in 2022, this dashboard remained an essential tool for the TfS network in 2024. It enables members to focus on collective actions by utilising available data to enhance due diligence. The dashboard's scope has been expanded to include water management and biodiversity and waste in addition to existing topics such as child labour, forced labour, human trafficking, corruption, energy consumption and GHG emissions from suppliers. This expansion allows TfS members to prioritise emerging issues based on their urgency and take proactive measures to address them.



# Supplier and member engagement and training

Workstream 2 conducted multiple training sessions and webinars, reaching over **1,000 participants** and enhancing knowledge on sustainability practices.

### Supplier engagement and training:

Workstream 2 continued to engage suppliers through various training programmes and webinars. These initiatives educate suppliers on the latest sustainability practices and align them with TfS standards.

### **Supplier Training on EcoVadis**

TfS and EcoVadis hosted a global webinar series covering diverse topics of interest.

This webinar series helps suppliers understand how to complete TfS Assessments using the EcoVadis methodology, and improve their results. A total of 990 participants joined 12 TfS/EcoVadis webinars, available in five languages.

In 2024, the webinars were offered in Japanese to reach an even wider audience.

#### Wave 1: Introduction to EcoVadis

- English-language sessions: 181 attendees (2 webinars)
- Spanish-language session: 21 attendees
- Portuguese-language session: 114 attendees
- Chinese-language session: 139 attendees
- Japanese-language session: 111 attendees

#### **Wave 2: Corrective Action Plans**

- English-language sessions: 177 attendees (2 webinars)
- Spanish-language session: 38 attendees
- Portuguese-language session: 78 attendees
- Chinese-language session: 65 attendees
- Japanese-language session: 66 attendees

### Member engagement and training:

On 1 October 2024, TfS and EcoVadis hosted a cross-member webinar on the Corporate Sustainability Reporting Directive with 74 attendees.

### **TfS Audits**

The achievements of Workstream 3 (Audits) include various initiatives, such as the Future-of-Audits project and collaboration across workstreams.

### **Future-proofing TfS Audits**

The **Future-of-Audits initiative** has resulted in several key outcomes. One major achievement is the availability of TfS Audit questionnaires online. The main benefits of this update include:

Updates can automatically be synchronised and made available instantly to all users

Auditors can complete the TfS Audit online and offline using the latest version available

Throughout 2024, TfS auditors and TfS members participated in training to become familiar with the new features.

Following a thorough review of the questions and an update to the audit protocol in 2023 to meet legal and regulatory requirements, supplier reporting functionality in OASIS has been improved. Enhanced instructions for auditors, and a requirement to indicate breaches of local laws, will better align audit findings. Suppliers also now have clearer guidance on how to improve and provide feedback.

### Supplier improvement

In 2024, several initiatives were launched to improve the effectiveness of corrective actions following audits. This is a key focus and increasingly required by new regulations. The increase in audits presented additional challenges related to corrective actions occurring across multiple suppliers. In line with the Accelerate4Impact strategy and our mission to strengthen our improvement agenda, Workstream 3 will concentrate on implementing a broader range of supplier improvements by sharing of best practices, collaborating with suppliers and obtaining support from auditing firms.









Both TfS Assessments and TfS Audits lead to the development of CAPs, a set of actions that help member companies take concrete steps to improve their supply chains.

By mining data from these assessments and audits, TfS can identify areas where the most significant improvements can be made. The analysis of this data will guide capacity building in target countries and suppliers.

### **TfS Assessments**

Analysis of average scores per parameter indicates that in 2024, all parameters increased by 2 to 3 points compared to 2023. **Labour & Human Rights** scored the highest and **Sustainable Procurement** the lowest.

Benchmarking the results of TfS suppliers that have been assessed in the past 36 months against non-TfS average scores demonstrates that TfS suppliers consistently rank above the overall EcoVadis population of rated suppliers.

In 2024, 66% of the TfS suppliers that we re-assessed achieved a higher score in their re-assessment. Overall, the average score of all re-assessed suppliers improved by 4.4 points, with the most significant improvement occurring in the ENV section (Supplier Environmental Score). As we observe a saturation level in some supplier categories, next year's improvement score will focus exclusively on those suppliers whose scores are below the network average.

		$\varnothing$			6		
	All	Environment	Labour/Human Rights	Ethics	Sustainable Procurement		
Sustainability performance of TfS suppliers							
12,413 Suppliers	55.6	57.7	57.9	52.5	46.5		
Benchmarking TfS suppliers vs all assessments in the last three years							
20,634 vs 155,711 Companies	+ <b>5.3</b> 52.8 vs 47.5	+ 6.5 54.4 vs 47.9	+ <b>5.1</b> 55.5 vs 50.3	+ 5.0 49.8 vs 44.8	+ 4.9 43.8 vs 38.8		
Reassessments o	f TfS suppliers						
66% Improvement score	+ 4.4	+ 4.9	+ 4.0	+ 4.0	+ 4.9		

Figure: Tableau average scores per section

### **TfS Audit findings**

The TfS Audits evaluate suppliers in five categories: Management, Environment, Health & Safety, Labour & Human Rights, and Governance. Each supplier audit has 150 standardised questions.

This year an updated questionnaire was introduced to better align all questions with the recent legislation.

In 2024, TfS analysed

...and recorded

**596** 

4,998

audits

Most of these findings were related to Health & Safety, which is the most critical issue. Emergency handling and preparedness, as well as Occupational Health & Safety, remain a concern, so the TfS Academy provides courses to suppliers on these subjects.

The most common **Environmental Issues** uncovered were related to monitoring GHG emissions and waste-related problems. Regarding Human Rights, data analysis showed that most findings were related to working hours and wages.

In the Management section, the issues that remain problematic are monitoring and documenting supplier and contractor risks and human rights violations, along with policy and continuous improvement-related issues.

In 2024.

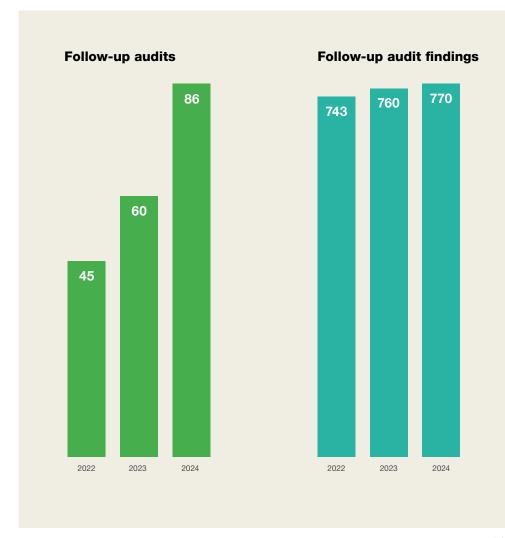
...covering

86

770

follow-up audits were conducted findings.

After the TfS Audit, 290 suppliers documented improvement by updating their Corrective Action Plans online.





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# **KPIs**

TfS KPIs for assessments and audits are designed to promote transparency and have a positive impact.

Sharing the results of TfS Assessments and audits encourages dialogue about improvements between member companies/ customers and suppliers. 6,010 Suppliers have demonstrated sustainability improvements following a TfS Assessment, Audit or TfS re-Audit.

In line with its sustainability strategy and goals, each TfS member company sets an annual target that contributes to the TfS KPIs. The aggregation of these individual targets forms the global KPIs the TfS community collectively aims to achieve. This reflects the idea that, while each TfS Member has its strategy, through collaboration these contributions are amplified.

By setting self-defined targets, member companies strengthen their responsibility and ownership for their TfS Assessments and Audits, as well as any necessary follow-up actions.

Over the past three years, the pool of TfS Assessments has increased significantly, growing from 13,355 suppliers in 2022 to 20,634 by the end of 2024. This growth is mainly due to the addition of new members who are already engaged with EcoVadis. Each year, TfS members raise their KPIs alongside their sustainability efforts, encouraging suppliers to improve their scores and expanding the range of newly added suppliers. As a result, the number of suppliers demonstrating tracked improvements has nearly doubled.

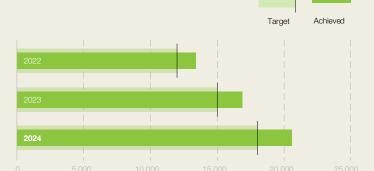
### **Asessments KPIs**

As of 31 December 2024

### KPI 1

### TfS Assessments actively managed by TfS members

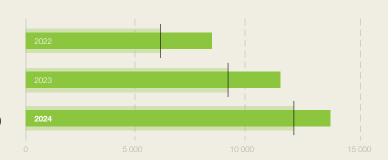
2022: Target 12,000 (actual **13,471**) 2023: Target 15,000 (actual **16,902**) 2024: Target 18,000 (actual **20,634**)



### KPI 2

### TfS Assessments conducted & shared across TfS members

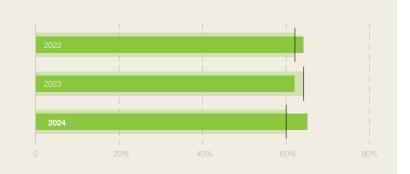
2022: Target 6,000 (Actual: **8,385**) 2023: Target 9,000 (Actual: **11,421**) 2024: Target 12,000 (Actual: **13,678**)



### **KPI 3**

### Average improvement rate after TfS re-Assessment

2022: Target 62% (Actual **64%**) 2023: Target 64% (Actual: **62%**) 2024: Target 60% (Actual: **65%**)



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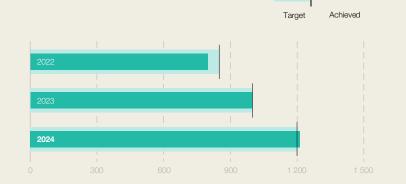
### **Audit KPIs**

As of 31 December 2024

### KPI 1

### TfS Audits actively managed by TfS members

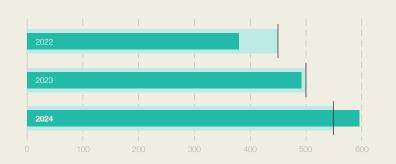
2022: Target 850 (actual **799**) 2023: Target 1,000 (actual **999**) 2024: Target 1,200 (actual **1,213**)



### KPI 2

### TfS Audits conducted and shared across TfS members

2022: Target 450 (Actual: **379**) 2023: Target 500 (Actual: **492**) 2024: Target 550 (Actual: **596**)



# Audits have also seen a significant increase over the past three years.

In January 2022 many regions in China, the country with the highest number of TfS Audits, remained difficult for auditors to access due to the pandemic. However, 2024 appears to be a year of recovery for audits, helping us get back on track. Additionally, follow-ups on CAPs have been a priority. We have observed an increased engagement since we began tracking this aspect, and starting next year, these follow-ups will be included as official KPIs to demonstrate a commitment to supplier improvement.

This year, we made considerable progress in establishing new audits and following up on existing ones. The updated online system has enabled many suppliers to complete audits more efficiently, which has subsequently helped members in their audit planning.

Thanks to the OASIS database, resources have been reallocated to focus on audit preparation. In previous years, a lack of preparation often led to delays in the audit process. However, with the new online audit request tool, members can now monitor suppliers' progress towards the audit and address any bottlenecks more quickly.

### **Supplier improvements**

Supplier improvements documented in TfS Assessment or TfS Audit follow-up or re-Audits 2024:

6,010

suppliers



Globally there are three key centers that account for half of all TfS Assessments conducted over the years: Germany, China and the USA.

Germany consistently produces the highest number of TfS supplier assessments. However, since 2023, the USA appears to be surpassing China in the number of assessments conducted. Meanwhile, China is making significant progress, rapidly improving its average assessment score after substantial investments in enhancements.

Regarding audits, beyond China they are more concentrated in Europe and the Americas, with a noticeable increase in activity in the Americas due to global trade fluctuations. In our audits, we focus more on areas for improvement rather than scores. Therefore, we have identified the top improvement area for each region each year. It is important to note that in Asia, Labour and Human Rights consistently rank as a close second over the past three years.



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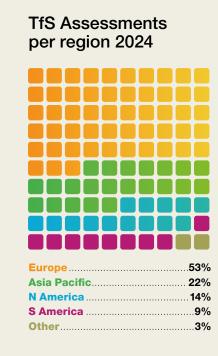
Accelerate4Impact

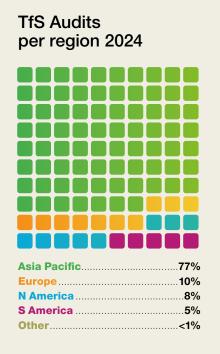
TfS Programmes and Results

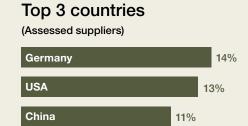
TfS Learning Community

Regarding assessed suppliers, we see most scorecards still appear in Europe, while the Americas are surpassing Asia – China in particular. As for audits, Asia remains by far the dominant region with a slight increase in the Americas.

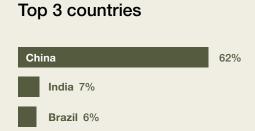
In 2024, the order of most rated countries remained the same, although we see a small increase in other countries. When comparing the share of audited suppliers, China remained at 62%, while other countries changed order, with Brazil entering the top 3 for the first time.







TfS Assessment 2024



TfS Audit 2024



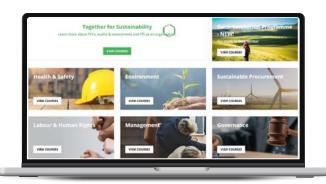
Explore the initiatives taken in 2024 to promote learning and development, and community building.

# TfS Capability Building and Communications – Initiatives and Achievements

Workstream 4 (Capability Building and Communications) ensures all stakeholders understand and adopt essential TfS initiatives, including audits, assessments and efforts to reduce Scope 3 emissions. This workstream develops training materials and shares them with TfS members and their suppliers through the TfS Academy, ensuring everyone has the necessary resources to succeed.

# Focus on the launch of the decarbonisation training programme

Workstream 4 collaborated intensively with Workstream 5 (Scope 3 GHG emissions) to develop a comprehensive decarbonisation training programme. The programme includes decarbonisation webinars, webinars on the TfS PCF Exchange solution and a partnership with The Climate Drive.



# **Enabling supplier and member engagement: Toolkits**

TfS has created multiple toolkits to provide step-by-step guidance on key topics and make resources easily accessible:

### PCF Supplier Toolkit (including the PCF Infographic)

Resources on the PCF Guideline, the PCF Exchange solution and the decarbonisation journey for suppliers, all in one place.

### Learning for Impact: How to Nurture Sustainable Procurement Competencies

This toolkit is designed **for new TfS members** to get started or further improve in sustainable procurement. It covers staffing for sustainable procurement, onboarding materials, development strategies, communication tips, key performance indicators, an introduction to the TfS Academy and tips for promoting sustainability within and outside the member company.



In 2025, additional toolkits for suppliers around key sustainability topics will become available.

# Learning & development success data

TfS has significantly improved participation in the TfS Academy by simplifying the registration process for suppliers.

In just one year, the number of supplier users increased from

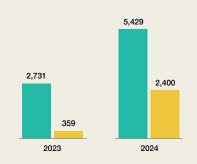
359 to 2,400

TfS member users grew from

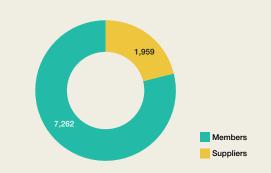
2,731 to 5,429

This demonstrates that streamlining the registration process has made the Academy more accessible and attractive to everyone.

## Increase in number of users from members and suppliers on the TfS Academy



### Number of total course completions 2024



### Course completion by subject



### Type of profiles of TfS Academy users



# **TfS Community**

TfS is dedicated to promoting sustainability among chemical suppliers around the world. To achieve this, the TfS community of members share knowledge and best practices, all while adhering to antitrust regulations.

TfS focuses on building a strong and connected community, encouraging engagement through various discussions and knowledge-sharing initiatives, such as CPO discussions, #TfSTalks, the TfS Coordinator Roundtable and the Annual Workshop.

As a global hub for industry leaders, TfS empowers its 54 member companies to collaborate and shape the future of the chemical sector. Through peer-to-peer networking, CPOs exchange innovative ideas, find inspiration and learn from one another.

### **CPO Discussions**

In 2024, TfS CPOs engaged a global team on various issues:

#### Archroma's Sustainable sourcing evolution

(Cyril Wasem, Archroma)

#### Motivating sustainable behaviours

(David O'Connell, Brenntag)

### Covestro Scope 3 Journey intersections & roadblocks

(Ferdinand Rammrath, Covestro)

### Chem-X and the potential role of TfS in Chem-X

(Jennifer Jewson, LyondellBasell and all TfS Steering Committee members)



### **#TfSTalks**

**#TfSTalks** are online discussions and knowledge-sharing opportunities prepared by TfS members on sustainability topics of mutual interest. Each of the #TfSTalks includes a lively Q&A session. In 2024, TfS organised four #TfSTalks:



#### 1. Internal Carbon Pricing

Olaf Stange, Supplier Decarbonisation, Bayer; Erin Sedlak, Sustainability Manager North America, Brenntag Group; and Dieter Regnat, Program Manager, Sustainable Operations, Sustainability Transformation, Clariant; Moderated by Julien Armandet, Africa Area Head Sustainability & Quality Management, Sika



#### 2. CBAM

### Dr Peter Botschek,

Director Industrial Policy and Competitiveness, Cefic; and Erich Cuaz, Head of Government Affairs and Advocacy, Clariant; Moderated by Sila Vogiatzaki, Director

Vogiatzaki, Director
Responsible Sourcing, Lonza



3. Empowering Sustainability Change Agents – Learning from Industry Leaders

Dr. Dorli Harms, Corporate Sustainability Management, Global Sustainability, Henkel; and Edwin Scharroo, Sustainability L&D Manager; Moderated by Rebecca Weicht, Senior Consultant, LyondellBasell



4. How to set up a Responsible Sourcing Programme

Sila Vogiatzaki, Director Responsible Sourcing, Lonza; Moderated by Marie Aumüller, Supplier, Sustainability Manager, Lonza

The #TfSTalks reached a total audience of

805

with an average audience per session of

201

This number represents a year-on-year increase of

**52%** 



Launched in 2022, the Coordinator
Roundtable serves as a platform for
coordinators from TfS member companies
to connect, exchange ideas, address challenges
and access resources specific to their roles.
During monthly meetings, TfS coordinators
share and discuss their experiences and
insights on topics relevant to their work,
such as supplier risk assessment, reporting,
and managing the TfS Audit programme,
including internal follow-ups.

The Roundtable is continually evolving and has become more structured, featuring agendas that include preselected topics suggested by the coordinators. Furthermore, it acts as a central communication hub for announcements, reminders, and updates from the TfS Office, as well as information from the workstreams and regional teams. Participation has increased, and the platform is now utilised for conducting pilots and gathering feedback, particularly on the newly introduced Excellence Groups pilot and the governance of new topics that TfS may address.

### **TfS Annual Workshop**

The TfS Annual Workshop, a hybrid event for the TfS community, took place in Ghent, Belgium, on 16-17 October. Attracting nearly 90 in-person participants and additional online attendees, this year's workshop saw an increase in attendance compared to previous years.

The impact and outreach of the TfS Annual Workshop can be attributed to its dynamic programme designed for in-person participation. This included multiple breakout sessions and numerous networking opportunities with colleagues from TfS member companies, providing an excellent platform to shape the vision and future of TfS.

This year's workshop focused on **Accelerate 4Impact**, the new TfS strategy for 2030. Discussions were led by each of the five TfS Workstreams and culminated in an inspirational closing keynote by Eric Enselme, Executive Fellow of the World Economic Forum. His presentation, titled "The No-Excuse Opportunities to Tackle Scope 3 Emissions in Manufacturing and Value Chains" highlighted pressing issues and innovative solutions in the field.

The recordings of the panel discussions are available on the TfS Academy.

Visit the TfS Academy



TfS family at the 2024 Annual Workshop

## **TfS Global**

TOGETHER FOR SUSTAINABILITY

TfS's ambition is global. With headquarters in Brussels, Belgium, TfS drives and improves the sustainability performance of chemical suppliers around the globe. Regional TfS member representation in Asia Pacific, the Gulf Region, Latin America and North America supports TfS in this ambition.

The global footprint is further enhanced by welcoming applications from chemical companies worldwide that share the aspiration to engage with suppliers on sustainability improvement. The TfS membership represents all segments of the chemical industry.







### TfS Global

A truly unique feature of TfS is that members drive the initiative forward a crucial factor in its success.

Representatives of member companies ensure progress is made through active participation in five workstreams. These workstreams also submit proposals to the TfS Steering Committee for ongoing projects.

### **TfS Governance** & Partnerships

Definition of governance structure of the initiative; Coordination of TfS external partnerships



Virginia Morton SIKA



Sascha Ceylan EVONIK



Morné Labuschagne LANXESS

### TfS Assessments or supplier ratings with EcoVadis

Improve and further develop TfS Assessments; Management of the relationship with service provider EcoVadis, together with TfS office



Sabine Zallinger WACKER



Tamara Lang



Hana Kollarova

### **TfS Audit programme**

Improve and further develop TfS Audit Audit companies, together with TfS office



**Sven Gelissen** 



Manuela Olivo



**Britta Walschek** 

### TfS Capability Building and Communications

Supplier capability building, development of



**Rebecca Weicht** 



Maren Hübschmann



Felix Zink



**Rene Nieuwhof** 



Manuela Olivo













Maria Valentina





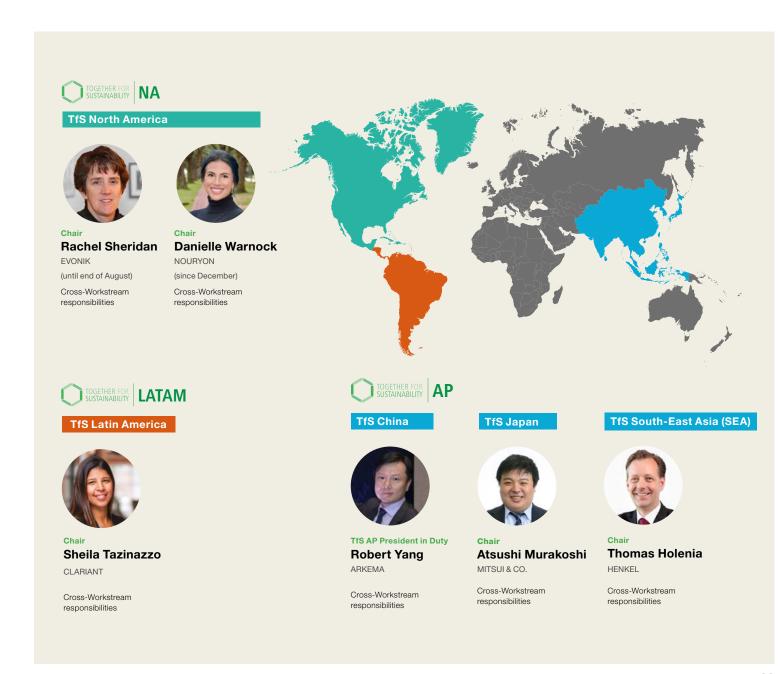


# TfS Regional

SUSTAINABILITY

The TfS Regional teams include Asia-Pacific (China, Japan, South-East Asia and India), LATAM (Brazil) and NA (USA).

The structure of TfS Global is replicated on a regional level. The Regional teams consist of regional representatives of the TfS member companies.



# TfS Regional Activities

TfS continues to build its global organisation through a network of Regional teams, comprising representatives of member companies in the region.

To increase membership, work on supplier improvement and advance specific topics of joint interest, TfS develops and cultivates regional partnerships and close cooperation with regional chemical associations.

# TfS AP (Asia-Pacific)

### TfS Team China

TfS @ 15th China Petroleum and Chemical International Conference (CPCIF) in Yantai, 11-14 September 2024

On 11 September, TfS China hosted its annual Supplier Training Event, which attracted over 200 attendees from various chemical companies. The training focused on online assessments, onsite audits and critical discussions regarding Scope 3 GHG emissions. Industry experts shared valuable insights on managing carbon footprints.

TfS General Manager Gabriele Unger delivered the keynote address at the CPCIF Sustainable Development Summit Conference, highlighting TfS's ongoing commitment to driving sustainability within global chemical supply chains.

Robert Yang, President of the TfS Asia Team and Arkema's Procurement Director for North Asia, represented TfS at the CPCIF press conference, where he engaged with journalists on important sustainability topics.

Gabriele Unger also participated in the Female Leadership Forum, contributing to a powerful panel discussion on empowering women in the industry.



TfS China team at CPCIF 2024

The participation of TfS showcased the power of collaboration and shared knowledge in advancing the green transformation of the chemical industry. The TfS China team will continue working with its partners to lead the way in sustainable development.

#### WeChat

To enhance its service to Chinese audiences and improve content interactivity and accessibility, TfS launched a video channel on its WeChat account. TfS China released eight videos covering various topics, including comprehensive overviews of TfS China, answers to frequently asked questions from Chinese suppliers, and highlights from supplier training events organised by the TfS China team. The video channel received significant views and engagement.

In 2024, TfS China published 33 articles (in both Chinese and English) on the TfS WeChat account, growing its total number of followers to 4,941.

#### **TfS PCF Guideline**

TfS China engaged in discussions about the TfS PCF Guideline with various carbon reduction initiatives, associations and alliances. Notable organisations include CFAEC (chemicals), CATARC (automotive), CNFIA (fertilisers), CNCIA (coatings) and CN100 (steel). The team also participated in Shanghai Climate Week in April. TfS China also organised a deep dive discussion to compare the TfS PCF Guideline with the draft PCF standard from CPCIF, which is currently open for comments. The team is actively involved in the drafting process.

### Pitching new TfS members in China

The TfS China team communicated extensively with several Chinese chemical companies to explore TfS membership.

## Cooperation with ECUST (East China University of Science and Technology)

The TfS China team collaborated with East China University of Science and Technology (ECUST) to develop a training programme aimed at senior executives in local Chinese companies.

### TfS Team Japan



TfS Japan Round Table, Tokyo, 18 November 2024

In 2024, TfS Japan made great progress by building on its strong operational structure, focusing on Workstreams 2, 4 and 5. For the first time, the team joined panel discussions hosted by organisations like MRI, EcoVadis and LCA Plus, and also hosted webinars in Japanese to reach a wider audience.

One of the major achievements was the launch of the Japanese version of the TfS global website, making it easier for Japanese companies to understand the TfS initiative.

TfS Japan also organised opinion exchange sessions and introductory meetings with local authorities, industry groups and Japanese companies. Additionally, they created informative slides and a survey on GHG Scope 3 emissions to support the Japan Chemical Industry Association's practical guidelines.



### TfS SEA (South-East Asia)

The TFS Singapore team decided to expand its focus and rename itself TfS SEA (South-East Asia). TfS SEA now includes Malaysia, Thailand, Vietnam, Philippines and Indonesia, in addition to Singapore.

South-East Asia continued its efforts to raise awareness of the TfS initiative, participating in the Asia Supply Chain Decarbonisation & Sustainability Summit in Singapore on 30-31 May, where they provided an overview of the TfS programme.

In July, TfS SEA published an advertorial with EcoBusiness, a media and business intelligence outlet focused on sustainable development and ESG performance in the Asia Pacific region. This advertorial highlighted the importance of addressing Scope 3 emissions within the chemical industry and the solutions developed by TfS to tackle this issue.

# TfS LATAM (Latin-America)

The TfS Team LATAM organised a Human Rights workshop in São Paulo, Brazil on 29 August. Key takeaways include a deeper understanding of the UN Guiding Principles on Business and Human Rights, practical strategies for conducting human rights due diligence, and the importance of promoting human rights beyond merely compliance.

The workshop also fostered valuable networking opportunities and inspired collaborative efforts towards building a more ethical and sustainable chemical industry in Brazil.

With renewed commitment, attendees are poised to drive positive change by integrating human rights into core business practices.

TfS LATAM continues to lead the way in establishing ethical and responsible chemical supply chain practices across the region.

# TfS NA (North America)

The TfS Team North America successfully developed and implemented a one-page guide for procurement teams to use in coaching and navigating their suppliers through the EcoVadis assessment process. This is now available to all through the TfS Academy. This achievement has set the stage for a future opportunity to develop the same for TfS Audits, enabling simplified conversations to drive improvements in engagement, education and scoring.



TfS Latin-America



TfS North America

# **Governance** TfS Office

The TfS office helps run the activities of the TfS Workstreams, organises and supports meetings for TfS groups, connects with current and potential TfS members and partners and brings new members on board. The TfS General Manager leads the organisation's daily operations.

In 2024, the TfS office was expanded with a new Project Manager, Daniele Dalla Vecchia, who will play a key role in the Scope 3 GHG emissions programme, IT projects and more.



General Manager

Dr Gabriele Unger



Project Manager

Daniele Dalla Vecchia



Communications Manager Maria De Rycke



Member Engagement Manager Margherita Locatelli



Capability Building and Training Manager

Claudia Riemer



Manager

Jakob Smets



Manager
Marina Vese



Project Assistant

Marion Vigier

Message from the President

# TfS – an International, non-profit association under Belgian law

### **TfS General Assembly**

The General Assembly, TfS's main decisionmaking body, comprises one CPO representative from each member company, all of whom have voting rights in the Association.

The General Assembly elects the TfS President and TfS Steering Committee every two years. The last election was held in June 2023.

During their meeting on 18 June 2024, the General Assembly approved the following:

# Accelerate4Impact strategy

Accelerate4Impact is the new TfS strategy for 2030 focusing on driving change and delivering results.

# Enhancements of the TfS KPIs

Updates to KPIs aim to improve the impact of TfS Assessments and Audits. With the refined metrics, TfS will be able to better track progress, identify areas for improvement and demonstrate the tangible impact of its efforts. These enhancements will help maintain a strong focus on driving meaningful progress in supplier performance and sustainability practices.

### New Global Steering KPI promoting inclusive leadership

TfS developed a Global Steering KPI defined as the percentage of leadership positions occupied by individuals from TfS member companies headquartered outside of Europe. The new KPI underscores TfS's commitment to creating a global network of leaders who bring diverse perspectives to advance sustainability goals.

### Amendments to the Articles of Association (AoA) and Internal Regulations

The amendments address key responsibilities and governance measures for the TfS programme, reinforcing the commitment to sustainable practices. By formalising member obligations related to assessments, audits and the Scope GHG emissions programme, TfS aims to ensure that all members contribute meaningfully to the collective sustainability goals. The updated governance structure will enhance decision-making and financial planning, allowing TfS to maintain its leadership in promoting sustainable practices across industries.

### Chem-X

During their online Extraordinary General Meeting of 22 November, the TfS General Assembly approved participation in Chem-X, a project aimed at building a data ecosystem for the chemical industry centered around a Digital Material Passport. This ecosystem will encompass the technical infrastructure, data model semantics, tools, and policies with a strong emphasis on sustainability and circularity metrics.

TfS will continue its successful path of sustainability standard-setter in the global chemical industry. As an associated member of the Chem-X consortium, TfS will focus on the content layer of Chem-X, developing additional standards for sustainability and circularity metrics. Although TfS will provide its expertise, it will not receive any funding. Instead, TfS member companies will contribute personnel resources and expertise.



TfS General Assembly, LyondellBasell offices, Wesseling, 18 June 2024

### **TfS Steering Committee**

# The Steering Committee is the executive body of the association.

In their meeting on 28 February, the Steering Committee decided to make the TfS anti-trust training, including a valid certificate, mandatory for all Chairs/Co-Chairs and team leads of TfS, as well as all members of TfS Workstreams and Regional teams.

The TfS anti-trust training is available in the TfS Academy, with the TfS Office tracking participation to ensure adherence.

Since June 2023, the TfS Steering Committee consists of the following persons:



TfS Steering Committee at the General Assembly, LyondellBasell offices, Wesseling, 18 June 2024



President
Jennifer Jewson
LyondellBasell



Steven Brughmans
BASF



Cathy Budd



**Bertrand Conquéret**Henkel



Thomas Udesen
Bayer



Götz Lauschke



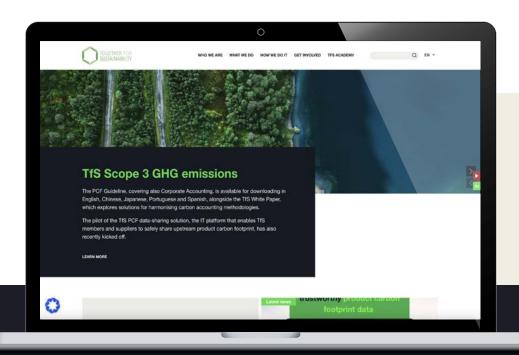
Erk Thorsten Heyen Wacker



### **Learn more**

### **TfS** website

Your information platform for all TfS info, including the latest news on the **TfS Scope 3 GHG Emissions Programme**, **PCF Guideline**, and **TfS Academy**.









tfs-initiative.com

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