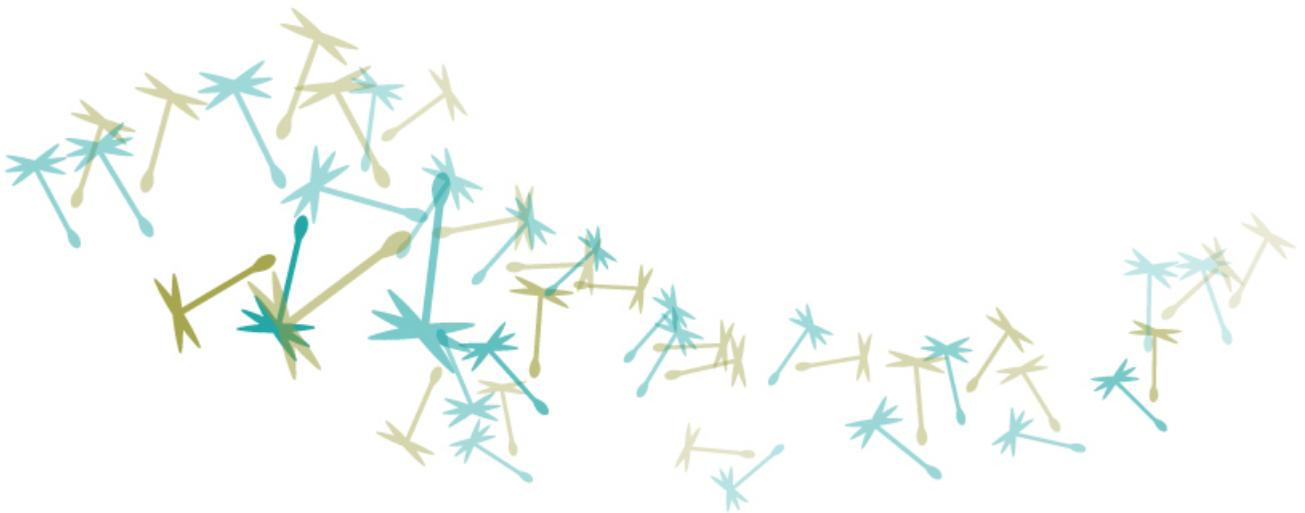


EXPLANATION TO
WEIGHTING OF ECG
CALCULATOR 5.0
FULL BALANCE



Pie de imprenta

Fecha de realización: February 2018

Authors:



Licencia Creative Commons: este material tiene una licencia Creative Commons en la versión 4.0 Internacional. Para consultar las condiciones de esta licencia, visita <http://creativecommons.org/licenses/by-sa/4.0/>.



Contenido

1. Topics	4
1.1. Weighting A1	4
1.2. Weighting A3	4
1.3. Weighting A4	4
1.4. Weighting B1	5
1.5. Weighting B2	5
1.6. Weighting B3	5
1.7. Weighting B4	6
1.8. Weighting C3	6
1.9. Weighting C4	6
1.10. Weighting D3	7
1.11. Weighting D4	7
1.12. Weighting E2	7
1.13. Weighting E3	7
1.14. Weighting E4	8
2. Stakeholders	8
3. Final weighting	9

1. Topics

1.1. Weighting A3

It takes into account the expenditure and industry of the most 5 important suppliers. The relative expenditure is corrected with PPP index (Power Purchase Parity)

Suppl	Industry	Expend	Country	PPP Index	Expend*	%	Relevanc	Rele*%
Soy		2000	USA	1	2000	9,7%	1	9,7%
Que		1500	Spain	1,12	1680	8,2%	1,5	12,3%
Mas		1500	Honduras	1,88	2820	13,8%	2	27,6%
Otro		1000	Vietnam	2,74	2740	13,4%	2	26,8%
Ola		1000	Senegal	2,16	2160	10,5%	1	10,5%
Rest of		5000	Spain	1,12	5600	44,4%	1	44,4%

Relevanc is the relevance taking into account the industry (not the country). See sheet "10.Branchen"

Result = $\text{sum}(\text{Relevancia*})/\%$ (but only the suppliers that are specified because taking into account the rest of suppliers would require to define an industry average)

Result = 1,56 $\rightarrow (9,7+12,3+27,6+26,8+10,5)/(9,7+8,2+13,8+13,4+10,5)$

Then the weighting goes as follows:

- Result > 1,5 \rightarrow very high
- Result > 1,25 \rightarrow high
- Result < 0,75 \rightarrow low
- Other result \rightarrow middle

1.2. Weighting A4

It takes into account the country of the suppliers and the ITUC index of these countries. The relative expenditure is corrected with PPP index (Power Purchase Parity)

Suppl	Industry	Expend	Country	PPP Index	Expend*	%	ILUC ind	ILUC%
Soy		2000	USA	1	2000	9,7%	4	0,388
Que		1500	Spain	1,12	1680	8,2%	2	0,164
Mas		1500	Honduras	1,88	2820	13,8%	4	0,552
Otro		1000	Vietnam	2,74	2740	13,4%	3,25	0,4355
Ola		1000	Senegal	2,16	2160	10,5%	2	0,21
Rest of		5000	Spain	1,12	5600	44,4%	2	0,888

Result = $0,388 + 0,164 + 0,552 + 0,4355 + 0,21 + 0,888 = 2,6375$

Then the weighting goes as follows

- a) Result < 1,5 → low
- b) Result < 3,26 → middle
- c) Result < 4,5 → high
- d) Otherwise → very high

1.3. Weighting B1

Two variables are taken into account. The first one is the industry and the second one is the relation of total sales / balance sheet total (in Company Facts C37/C21).

The weighting goes as follows

- a) Very high: if the industry corresponds to Finance
- b) High: Total sales / balance sheet total < 0,1
- c) Middle: $0,1 \leq \text{Total sales / balance sheet total} \leq 0,5$
- d) Low: Total sales / balance sheet total > 0,5

1.4. Weighting B2

One variable is taken into account: the relation of profit and total sales. (in Company Facts C37/C18).

The weighting goes as follows

- e) High: profit / total sales > 0,1
- f) Middle: $0,03 \leq \text{profit / total sales} < 0,1$
- g) Low: $0,01 \leq \text{profit / total sales} < 0,03$
- h) Low: profit / total sales > 0,5

1.5. Weighting B3

Three variables are taken into account: additions to fix assets, invested money and balance sheet total (in Company Facts C22, C23 and C21). It is calculated this ratio

$$\frac{\text{Additions fix assets} + \text{Invested money}}{\text{Balance sheet total}}$$

The weighting goes as follows

- i) Very high: if the industry corresponds to Finance
- j) High: the ratio mentioned above > 0,25
- k) Middle: $0,1 \leq \text{Total sales / balance sheet total} \leq 0,25$
- l) Low: Total sales / balance sheet total < 0,1

1.6. Weighting B4

One variable is taken into account: size of the organization.

The weighting goes as follows

- m) Low: micro enterprise
- n) Middle: otherwise

1.7. Weighting C3

Two variables are taken into account. The existence of canteen (C34 in company facts) and the average distance of the employees to the work centre (C33 in company facts)

The weighting goes as follows

- o) Low: no canteen and average distance lower than 10 km
- p) High: average distance bigger than 25 km
- q) Middle: otherwise

1.8. Weighting C4

It takes into account the country where people work.

Calculates the product of % of workers X ITUC index for each site (see fakten zum unternehmen)

Then it makes the following calculation (B30:C32 in company facts)

% Workers	Country	ITUC index of Country	Calculation
75%	Spain	2	$0,75 \times 2 = 1,5$
15%	Germany	1	$0,15 \times 1 = 0,15$
10%	Uganda	3	$0,1 \times 3 = 0,3$

The result is $1,5 + 0,15 + 0,3 = 1,95$

Then the weighting goes as follows

- e) High: The result mentioned above is $> 3,25$
- f) Low: company is micro enterprise
- g) Middle: otherwise

1.9. Weighting D3

It takes into account the three more important industries of the organization and their relative weight in total sales (B41:B43 and D41:D43 of company facts)

Industry	% of total sales	Relevance for D3	Calculation
Pharma	70%	high is 1,5	$1,5 \times 0,7 = 1,05$
Clothes	30%	middle is 1	$1 \times 0,3 = 0,3$

The result is $1,05 + 0,3 = 1,35$

Then the weighting goes as follows

- h) Very high: The result mentioned above is $> 1,75$
- i) High: $1,25 \leq$ the result mentioned above $\leq 1,75$
- j) Middle: $0,75 \leq$ the result mentioned above $\leq 1,25$
- k) Low: the result mentioned above is $< 0,75$

Note: remember that D3 focus on use phase and end-of-life phase

1.10. Weighting D4

The weighting goes as follows

- a) Low for B2B organizations
- b) Middle otherwise

1.11. Weighting E2

One variable is taken into account: the relation of profit and total sales. (in Company Facts C37/C18).

The weighting goes as follows

- a) High: profit / total sales > 0,1
- b) Middle: $0,05 \leq \text{profit} / \text{total sales} < 0,1$
- c) Low: profit / total sales < 0,05

1.12. Weighting E3

Similar to D3. It takes into account the three more important industries of the organization and their relative weight in total sales (B41:B43 and D41:D43 of company facts)

Industry	% of total sales	Relevance for E3	Calculation
Pharma	70%	high is 1,5	$1,5 \times 0,7 = 1,05$
Clothes	30%	high is 1,5	$1,5 \times 0,3 = 0,45$

The result is $1,05 + 0,45 = 1,5$

Then the weighting goes as follows

- l) Very high: The result mentioned above is > 1,75
- m) High: $1,25 \leq \text{the result mentioned above} \leq 1,75$
- n) Middle: $0,75 \leq \text{the result mentioned above} \leq 1,25$
- o) Low: the result mentioned above is < 0,75

Note: remember that E3 focus on impacts of the organization (similar to scope 1 and 2)

1.13. Weighting E4

Two variables are taken into account. The first one is the most important industry in the organization (B41 in company facts) and the second one is the size of the organization.

The weighting goes as follows

- a) High: for industries of mining or construction
- b) Low: micro enterprise or small enterprise
- c) Middle: otherwise

2. Stakeholders

In company facts data of suppliers, employees and "B" topics are fulfilled.

Three variables are taken into account.

- Suppliers expenditure. This expenditure is corrected with PPP index of the country of each supplier (also the category "rest of suppliers"). D10:E15 data of company facts.
- Sum of following values: "profit", "costs of finance", "finance income" and "addition to fix assets". C18:C20 and C22 data of company facts.
- Personal costs. This is also corrected with PPP index of the country of each site. B30:C32 data of company facts.

The relation between the above figures is calculated. The sum of this three values is the denominator (total).

The numerator depends on each one.

- For A topics.

$$\frac{60 \times \text{Supplier expenditure}}{\text{Denominator}} \times 5$$

- For B topics.

$$\frac{60 \times \text{Profit} + \text{Costs of finance} + \text{Finance income} + \text{Addition fix assets}}{\text{Denominator}} \times 10$$

- For C topics

$$\frac{60 \times \text{Personal costs}}{\text{Denominator}} \times 10$$

D and E topics have "middle" relevance

Each of these values get "relevance points" according to the following table.

Value	Relevance	Relevance (text)
0 - 60	0,5	low
60 - 180	1	middle
180 - 300	1,5	high
> 300	2	very high

3. Final weighting

The following matrix presents the results of the relevance for each topic and each stakeholder (see chapters before to understand how it works but don't expect that I'm using always a consistent example. I take new numbers)

Stakeholder	Relev Stakehol	H. Dignity	Justice/Solid	Ecology	Participation
Supplier	1	1	1	2	1
Finance	1,5	2	1	1	1
Employees	2	1	1	1	2
Customer	1	0,5	1,5	2	1
Society	1	1	1	1	1

The relevance of each topic is corrected taken into account the relevance of the corresponding stakeholder. So now, we have

Stakeholder	H. Dignity	Justice/Solid	Ecology	Participation
Supplier	$1 \times 1 = 1$	$1 \times 1 = 1$	$2 \times 1 = 2$	$1 \times 1 = 1$
Finance	$2 \times 1,5 = 3$	$1 \times 1,5 = 1,5$	$1 \times 1,5 = 1,5$	$1 \times 1,5 = 1,5$
Employees	$1 \times 2 = 2$	$1 \times 2 = 2$	$1 \times 2 = 2$	$2 \times 2 = 4$
Customer	$0,5 \times 1 = 0,5$	$1,5 \times 1 = 1,5$	$2 \times 1 = 2$	$1 \times 1 = 1$
Society	$1 \times 1 = 1$			

Then the points are distributed taken into account the relation between each topic and the total amount of points. This relation is multiplied by 1.000 points (the max of the matrix)

The total of points is = $1+1+2+1+3+1,5+1,5+1,5+2+2+2+4+0,5+1,5+2+1+1+1+1+1 = 31,5$

So the weighting process ends as follows

Stakeholder	H. Dignity	Justice/Solid	Ecology	Participation
Supplier	$1 / 31,5 \times 1000$	$1 / 31,5 \times 1000$	$2 / 31,5 \times 1000$	$1 / 31,5 \times 1000$
Finance	$3 / 31,5 \times 1000$	$1,5 / 31,5 \times 1000$	$1,5 / 31,5 \times 1000$	$1,5 / 31,5 \times 1000$
Employees	$2 / 31,5 \times 1000$	$2 / 31,5 \times 1000$	$2 / 31,5 \times 1000$	$4 / 31,5 \times 1000$
Customer	$0,5 / 31,5 \times 1000$	$1,5 / 31,5 \times 1000$	$2 / 31,5 \times 1000$	$1 / 31,5 \times 1000$
Society	$1 / 31,5 \times 1000$			

Result in following page

Stakeholder	H. Dignity	Justice/Solid	Ecology	Participation
Supplier	31,75	31,75	63,49	31,75
Finance	95,24	47,62	47,62	47,62
Employees	63,49	63,49	63,49	126,98
Customer	15,87	47,62	63,49	31,75
Society	31,75	31,75	31,75	31,75