

## Amphenol

Efforts to quantitatively measure a company’s ESG scores have come a long way over the past decade, but still occasionally fall short due to a lack of publicly available data. We would point to Amphenol as a case in point.

Amphenol is a collection of 114 decentralized businesses that produce connectors for electronic products. Their motto is to “think globally, but act locally.” Only 2 of their 74,000 employees have a ‘C’ in their title—the CEO and COO. Decision making is pushed to as local a level as possible. The company believes it is run by a culture, not a system. This culture emphasizes ethics, diversity, empowerment, innovation and sustainability.

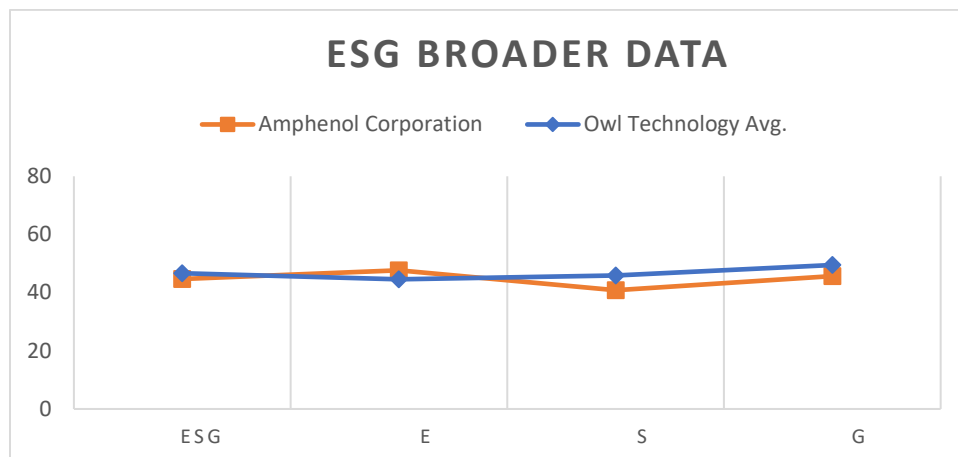
The company readily admits that the one thing they haven’t done well is to communicate their commitment and successes. To correct this, they released their first in-depth sustainability report this week as well as an excellent [interview](#) about the company’s culture. We expect the company’s ratings on our quantitative ESG scores to improve markedly as it makes more information public.

Amphenol states that they will use their initial sustainability measurements to establish targets for coming years. With the first report, they solid year over year improvements. For example, greenhouse gas emission intensity fell by 3.4% in the past year; water usage per dollar of revenue dropped by 11.3%, and the amount of waste disposal per dollar of revenue declined by 14.6%. They are building the largest on-site corporate solar project in New York (which will also be one of the largest in the country.)

Suppliers are routinely evaluated on specified sustainability and social responsibility requirements. These have been done by each individual business unit, though the company says they are now developing a Corporate-level program to track supplier metrics.

Slightly over half the workforce are women (51%) and 27% of the core management group. They have received a top score from the 2020 Women on Boards Gender Diversity Index.

Amphenol’s connectors go in a wide range of electrical products such as solar panels and electric cars. While Amphenol does not make any weapons, its connectors are used in military jets and missiles. It reports that 9% of sales are military-related.



Source: OWL SHARES

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