



# A Sustainability Management System that meets all Standards

World Environment Center Webinar

akzente | December, 9, 2020

Linie	Ziel	Abfahrt
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# Confusing amount of frameworks

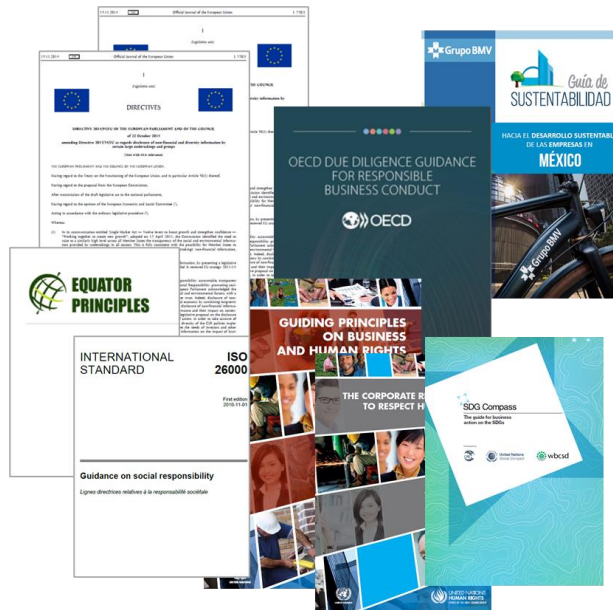
What should a company consider to set up a sustainability management system?



- **OECD Guidelines for Multinational Enterprises**
- **OECD Due Diligence Guidance for Responsible Business Conduct**
- **UN Guiding Principles on Business and Human Rights**
- **ISO 26000 Guidance on Social Responsibility**
- **ISO 14001 Environmental Management Systems**
- **ISO High Level Structure for Management System Standards**
- **EMAS - EU Eco-Management and Audit Scheme**
- **NMX-AA-162-SCFI-2012 Auditoria Ambiental**
- **Equator Principles**
- **GRI Standards**
- **Guía de sustentabilidad de la BMV**
- **SDG Compass. The Guide for Business Action on the SDGs**
- **SGE 21. Sistema de Gestión Ética y Socialmente Responsable**
- **AIAG Supplier Sustainability Self-Assessment**
- **SA 8000 - Social Accountability 8000**

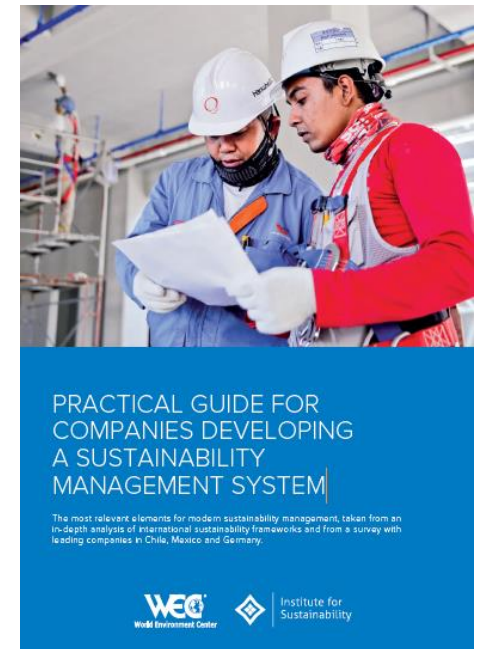
# Development of the Guide

Aim: help companies to set up a smart sustainability management



## Scientific study

- What are the similarities of the frameworks?
- What is needed to set up a sustainability management system?
- What is the opinion of experienced sustainability managers?



Supported by:



- **Systematic comparison of the frameworks**  
**Part 1: Governance and Scope**  
**of Sustainability Management**



# Governance and Scope of Sustainability Management

What are the topics sustainability management deals with?

How to manage progress in these topics?

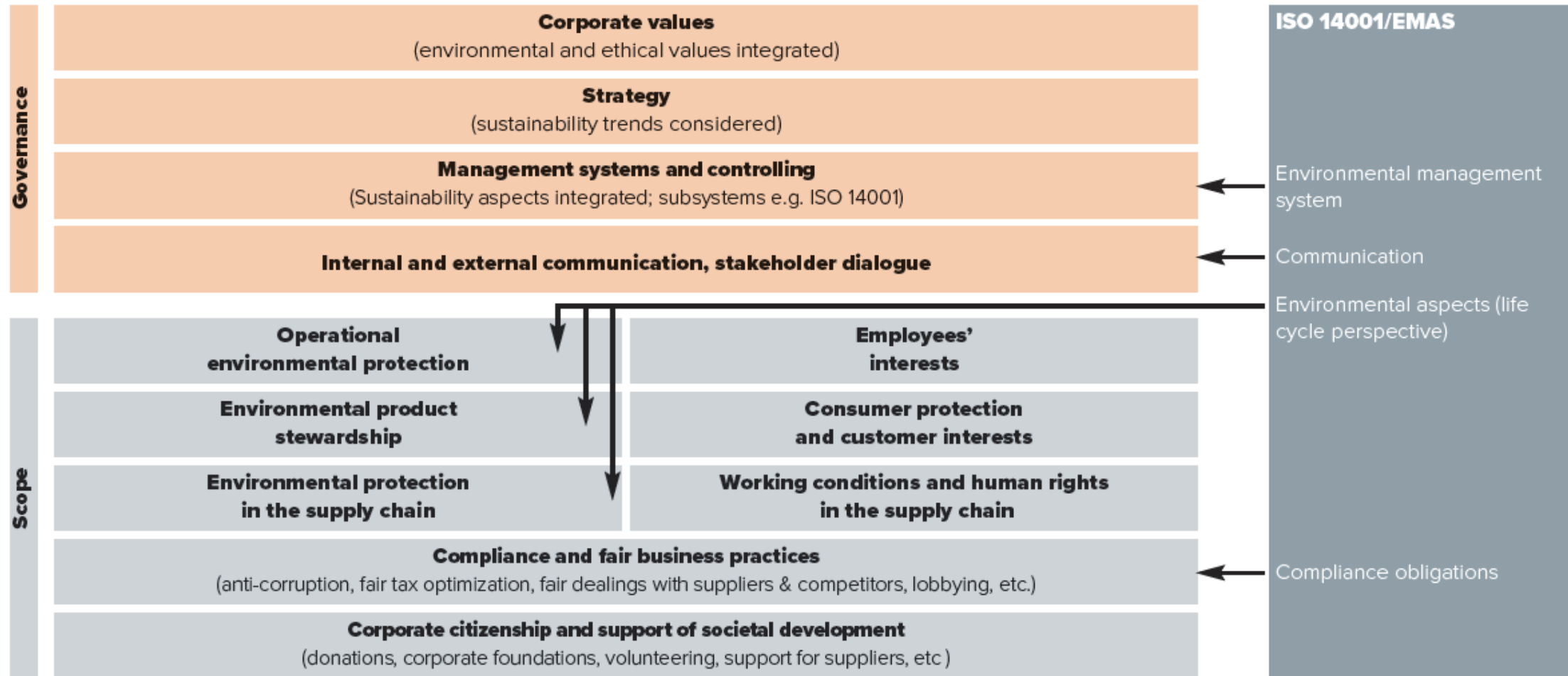
Scope	<b>Operational environmental protection</b>	<b>Employees' interests</b>
	<b>Environmental product stewardship</b>	<b>Consumer protection and customer interests</b>
	<b>Environmental protection in the supply chain</b>	<b>Working conditions and human rights in the supply chain</b>
	<b>Compliance and fair business practices</b> (anti-corruption, fair tax optimization, fair dealings with suppliers & competitors, lobbying, etc.)	
	<b>Corporate citizenship and support of societal development</b> (donations, corporate foundations, volunteering, support for suppliers, etc )	

# Governance and Scope of Sustainability Management

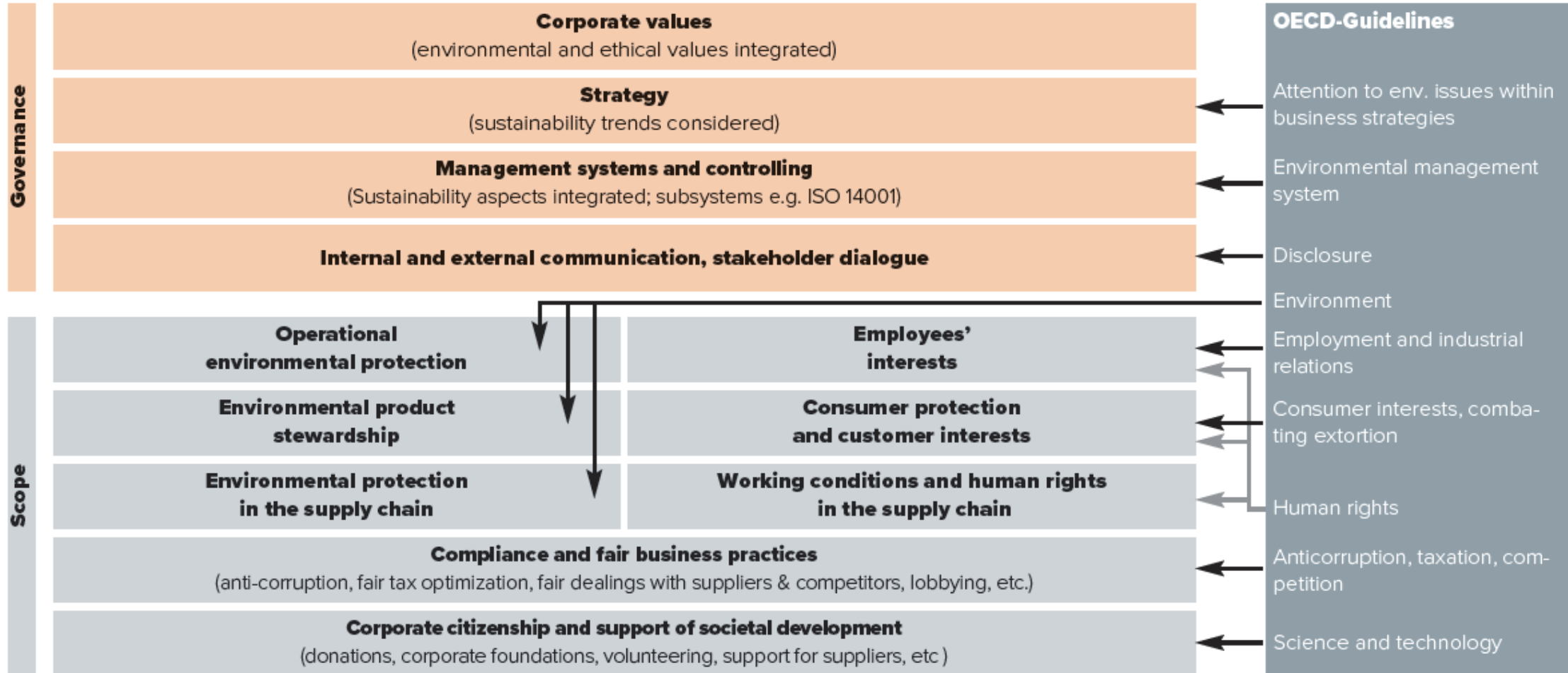
The first step to compare frameworks for sustainability management

Governance	<b>Corporate values</b> (environmental and ethical values integrated)	
	<b>Strategy</b> (sustainability trends considered)	
	<b>Management systems and controlling</b> (Sustainability aspects integrated; subsystems e.g. ISO 14001)	
	<b>Internal and external communication, stakeholder dialogue</b>	
Scope	<b>Operational environmental protection</b>	<b>Employees' interests</b>
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# Governance and Scope specified in ISO 14001

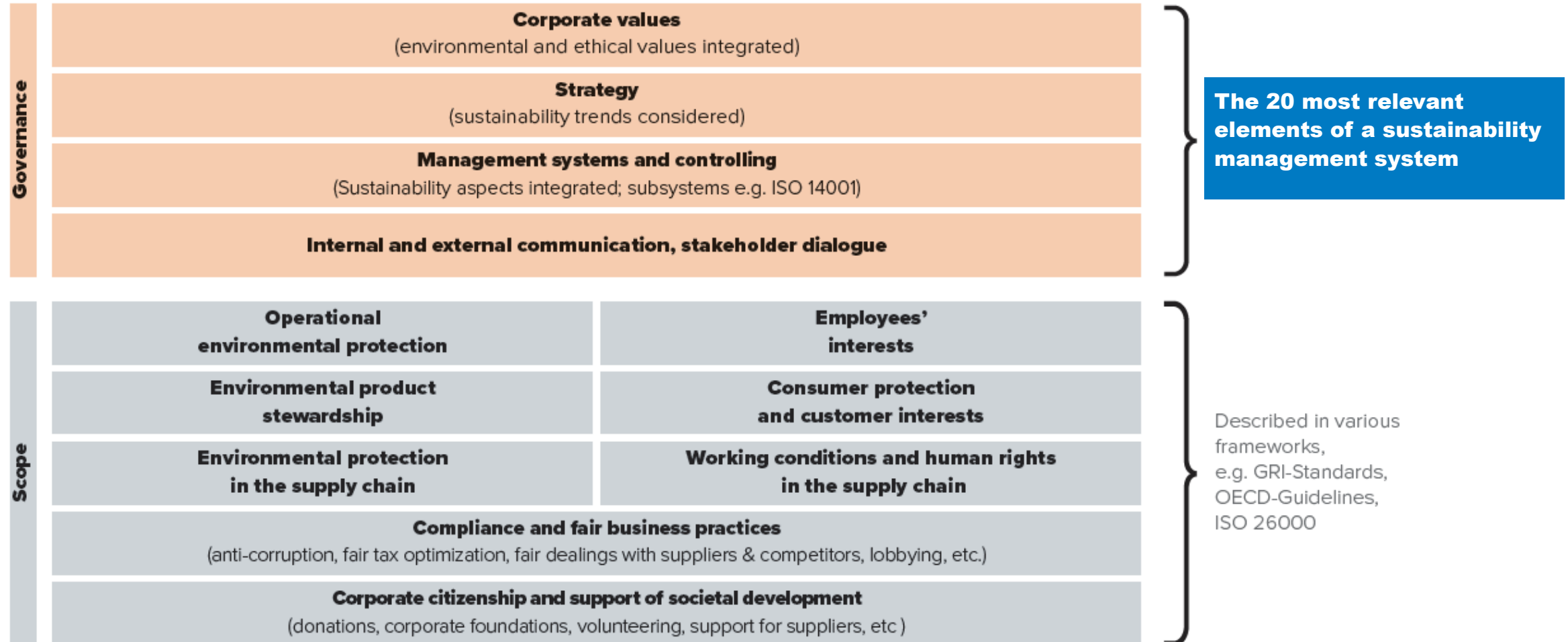


# Governance and Scope specified in the OECD-Guidelines





# Focus of the practical guide



- **Systematic comparison of the frameworks**  
**Part 2: Most relevant elements of**  
**sustainability management systems**



# Building blocks for the management system

Area	The 20 most relevant elements of a sustainability management system	
<b>Policies</b> → page13	<ul style="list-style-type: none"> <li>• Policy</li> <li>• Code of Conduct</li> </ul>	
<b>Organisational structure</b> → this page	<ul style="list-style-type: none"> <li>• Board of director responsibilities</li> <li>• Senior management responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability officer</li> <li>• Sustainability department</li> </ul>
<b>Processes</b> → page 14	<ul style="list-style-type: none"> <li>• Integration in business processes</li> <li>• Systems to ensure compliance</li> </ul>	
<b>Continuous improvement</b> → page 16	<ul style="list-style-type: none"> <li>• Goals and measures (Progress tracking)</li> <li>• Monitoring, indicators and performance evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Management of ESG risks</li> <li>• Grievance mechanisms</li> <li>• Training</li> </ul>
<b>Communication</b> → page 19	<ul style="list-style-type: none"> <li>• Leadership and commitment</li> <li>• Internal communication</li> <li>• Stakeholder dialogue</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder engagement</li> <li>• Sustainability reporting</li> </ul>
<b>Preparatory tasks</b> → page 12	<ul style="list-style-type: none"> <li>• Determining the relevant aspects</li> <li>• Determining the scope of the management system</li> </ul>	

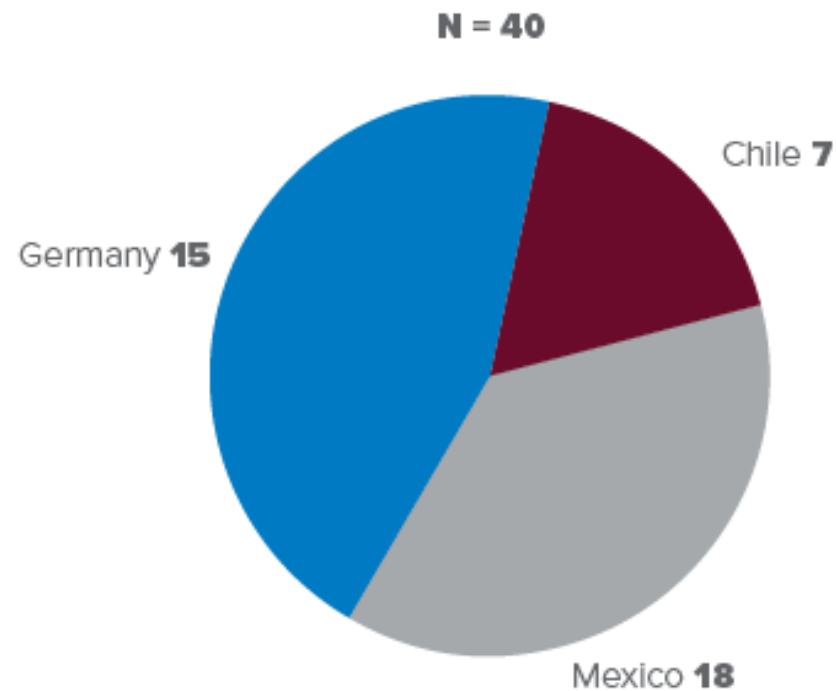
A sustainability management system with these elements

- works well
- covers most of the management requirements of relevant frameworks

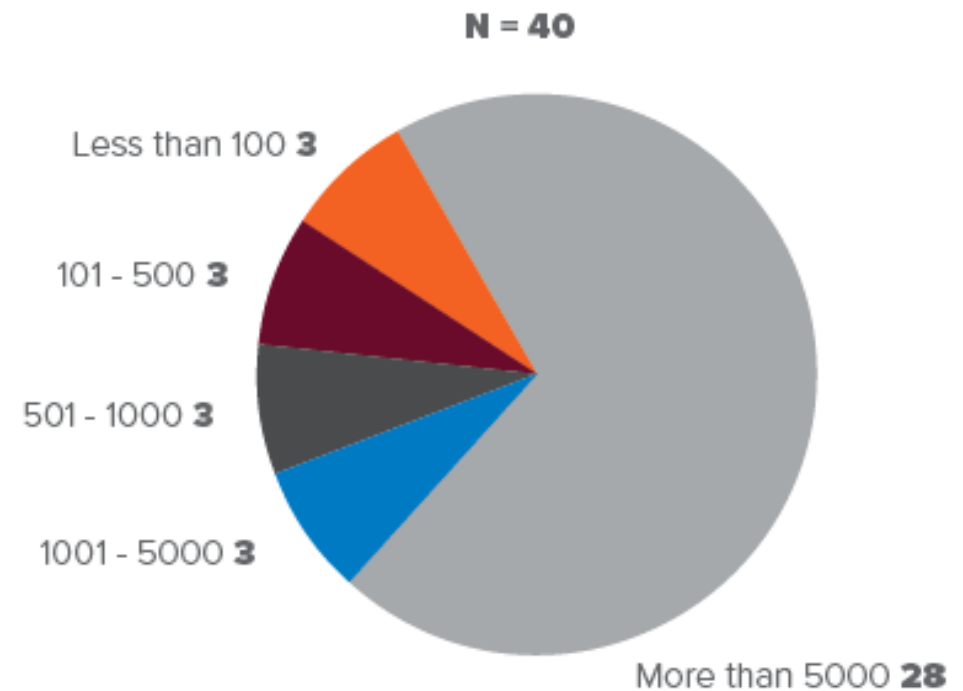
# What do the experts say?

Options of sustainability managers (summer 2018)

**Origin of the respondents**



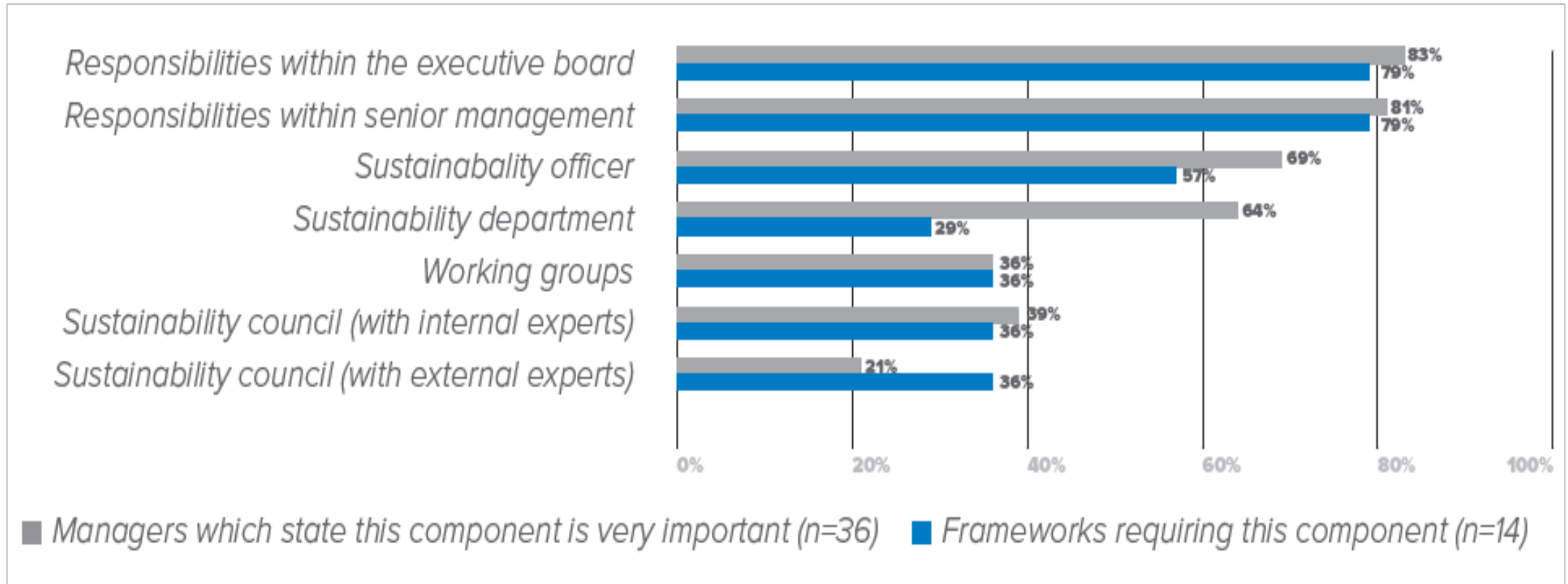
**Size of the companies where respondents work**



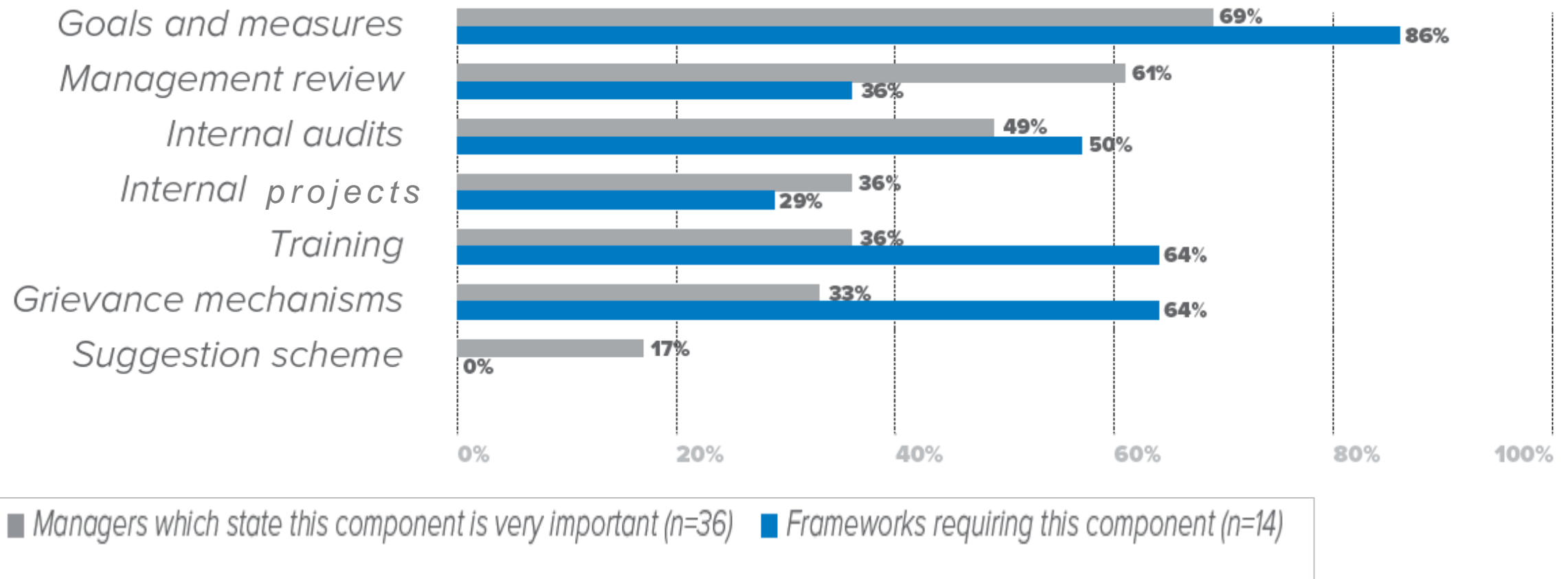


# Organizational Structure

## Need for Sustainability Officers and Sustainability Departments



# Continuous Improvement

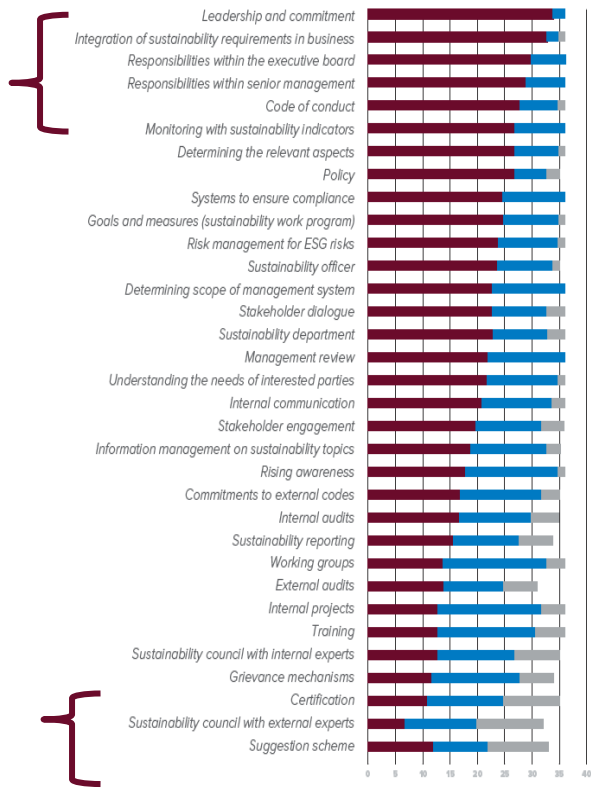
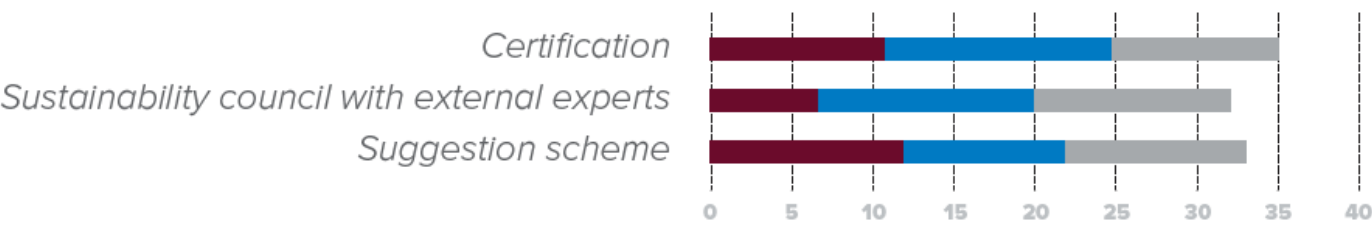


# Experts: Importance of the management system elements

## Top 5



## Bottom 3



# Building blocks for the management system

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## Outlook: Climate Related Risks



# Upcoming requirements

## Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Companies use their sustainability management system to manage their climate-related risks and meet the recommendations of TCFD



• Thank you for your attention

