

Velkommen til
Sustainable Business
Change Manager



THE SOCIAL
BUSINESS
ACADEMY

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MODULE 1
INTRO

STRATEGY | CLEAR PURPOSE

PART 1 WHY-WHAT	PART 2 HOW	PART 3 HOW
THE SUSTAINABLE BUSINESS MINDSET	SUSTAINABLE BUSINESS DEVELOPMENT	THE STRATEGIC FOUNDATION
Global megatrends Sustainable market drivers Key phases & concepts	ESG & legal compliance Linking CSR & business The business case	The analytical toolbox: 6 analytical steps Real-life case: Nilfisk






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MODULE 1 | PART 3
THE STRATEGIC FOUNDATION

THE ROADMAP & TOOLBOX



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LEARN MORE | DO BETTER

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PART 3. THE STRATEGIC FOUNDATION

HOW STRATEGIC FOUNDATION

A precondition for a strong business case and a sustainable business strategy is a solid analytical foundation. With a structured and systematic approach to collecting and managing relevant data, it is possible to establish baselines and to take informed decisions.

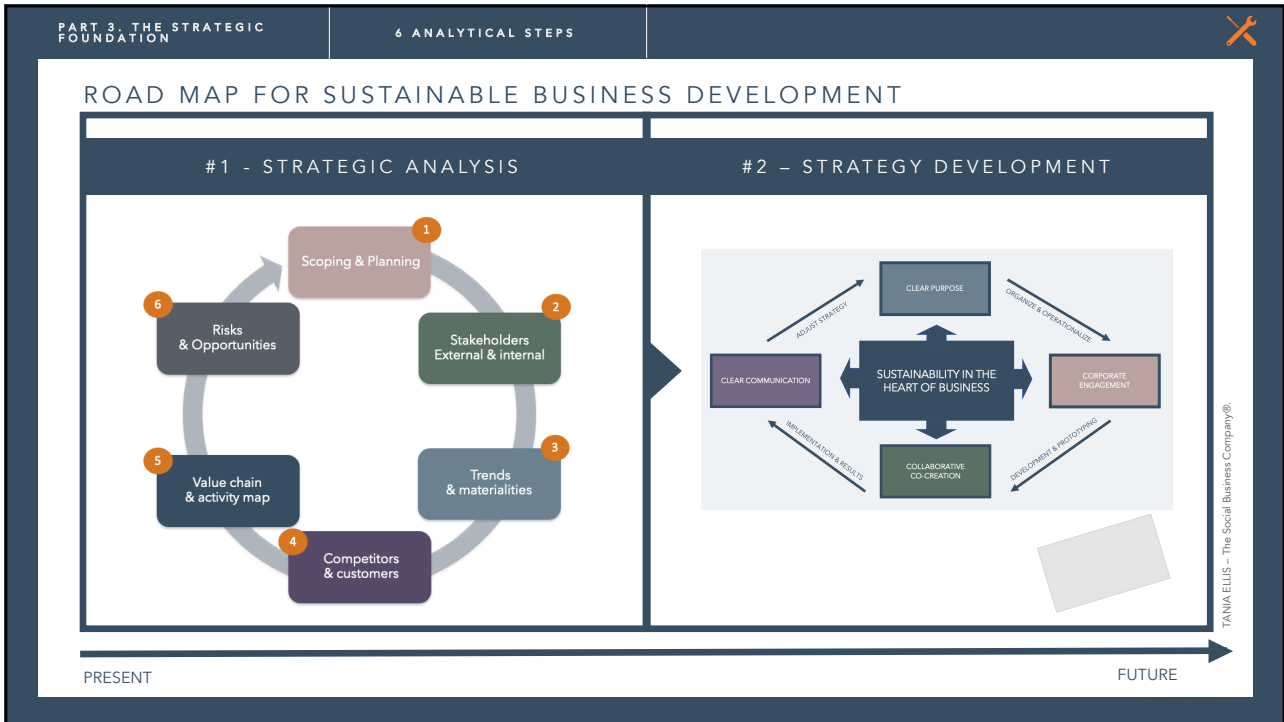
A strong strategic foundation enables the company to not only explain **what** it is doing, but also **why** it has chosen to integrate CSR aspects into its business.

Purpose:
Introduction to analytical methodologies and tools that you can apply to ensure a strategic and systematic approach to developing a sustainable business strategy and business case.



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KEY LEARNINGS

WHAT YOU WILL LEARN...

HOW

- ✓
- ✓
- ✓
- ✓
- ✓

- Overview of key analytical methodologies and frameworks
- Examples of how to use tools and templates
- Documentation & data for cohesive, value-adding approach
- Select, prioritize and justify strategic choices
- Roadmap for putting it all together (analyses + strategy dev.)

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS

WHO IS HERE WITH YOU




Susanne Krogh Petersen

Career touchdowns

Works with green and just transition for companies at ErhvervsHus Hovedstaden.

Leader of Ide&co, project house for social & cultural projects. Worked with political conditions for SME's in DI. Fundraised and worked with building rural environmentally friendly schools in Nepal. Established first shared economy clothing library in Denmark in 2014. Founder and partner of consultancy bureau KRIDT. Crashed initiative to improve private philanthropy.

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 1: SCOPING & PLANNING

6 ANALYTICAL STEPS



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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 1: SCOPING & PLANNING

HOW 1. SCOPING & PLANNING

Before starting a strategy development process, it is important together with top management to align on both mandate and ambition level.

It is also important to consider whether it would make sense to organise your sustainable business efforts around particular frameworks or systems.

Purpose:
Understand how you can obtain adequate resources, mandate and alignment on framework for your analytical and strategy development approach.




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PROJECT ORGANISATION

PROJECT GUIDANCE | MODEL

Project guidance

```

    graph TD
      SC[Steering committee] --- PM[Project management]
      PM --- CSRTF[CSR task force]
      CSRTF -.-> RG[Reference group]
    
```

PROJECT PLAN | MODEL

TIP! Check for other internal change initiatives



```

    graph TD
      Idea((Idea)) --> Purpose[Purpose]
      Purpose --> SC[Success criteria]
      SC --> GK[Goals & KPIs]
    
```

Purpose: Why are we initiating this activity?

Success criteria: What do we want to achieve (effect)?

Goals & KPIs: How are we going to achieve results?

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SET AMBITION LEVEL OVERALL AMBITION LEVEL

CSR AMBITION LEVELS | MODEL

LEVEL 4	Leadership Transforming the market leading to first mover advantages	Driving industry or public initiatives Public advocacy, corporate activism
LEVEL 3	Proactive Business strategic leading to competitive advantage	Market differentiating activities Integration into business processes
LEVEL 2	Compliance Fulfilment of laws, established norms, industry standards	Policies, Codes of Conduct Governance
LEVEL 1	Reactive Adaptation to laws	Risk management Legal standards and minimum requirements

CSR Ambition Levels, TANIA ELLIS – The Social Business Company®. Inspired by KPMG




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AMBITION LEVELS & POSITIONS | MODEL

POSITION	DENIAL STRATEGY	DEFENCE STRATEGY	ISOLATED STRATEGY	EMBEDDED STRATEGY	TRANSFORMATIONAL STRATEGY
ACTIONS TAKEN	No recognition Philanthropic action for marketing	Incremental reduction and risk management Philanthropic endeavours	E.g. single production line changed Well on way with reductions	Full transformation Revenue stream = impact business	Transforming external surroundings (e.g. supply chain, industry)
LINK TO STRATEGY & COMPETITION	No connection with strategy No differentiation	Strategic links in action No differentiation	Strategically connected Innovation efforts Some differentiation	Strategically determining Key factor of differentiation	Advocacy and sharing Beyond competition

Graphic: Susanne Krogh Petersen. Based on Valente, 2017



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STEP-BY-STEP AMBITIONS | EXAMPLE

Virksomhedens ambitionsniveau: "Vores udvikling over de næste 5 år" (ILLUSTRATIV)

Vi efterlever al lovgivning og grundlæggende forventninger | Vi adresserer alle vores risici og reducerer vores omkostninger | Vi inddrager aktivt vores interessenters ønsker | Vi er førende – "Best-in-Class"

Medarbejdere: Sundhed, sikkerhed, arbejdsplads → Beskæftigelse og miljø → Mål om 5 år

Samfundet: Partnerskaber → Forretningsmæssig etik → Mål om 5 år

Leverandører: Ansvarligt indkøb → Sikker leverandørproduktion → Mål om 5 år

TRIN 1 → TRIN 2 → TRIN 3 → TRIN 4

Example from CSR-rådgivning.dk, Lars Konggaard, 2018

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#module 1 #frameworks #tools

APPLY BENCHMARKS & BASELINES

SDG ACTION MANAGER

The B Impact Assessment
The most credible and complete way to measure the impact of your business on communities, employees, and customers.

Join 50,000+ businesses using this free, confidential tool

the B Impact Assessment provides:

- Standards**: Credible, comprehensive, transparent, and independent standards of social and environmental performance that allow businesses to assess their overall impact.
- Benchmarks**: Publicly available benchmarks on composite impact that allow businesses to compare their impact.
- Tools**: Practical, easy-to-use tools to help businesses improve their impact over time.

What does the B Impact Assessment cover?

What do you do?	How do you operate?			
Impact Business Models	Governance	Workers	Community	Environment
Basic Services	Mission & Engagement	Compensation	Diversity	Impact
Education	Governance	Benefits	Civic Engagement	Outlets
Economic Engagement	Ethics	Training & Education	Wastewater Management	Renewable Energy
Serving those in need	Transparency	Worker Council	Supplier Development & Product	Team, Diet, & Suppliers

"While some B Corps exist with a specific goal to solve a social or environmental challenge, many B Corps look like 'ordinary' businesses from the outside, but take practical steps to increase the positive social impact of their business through their operations"

Mission Led Business Review, Cabinet Office, December 2016

Impact Business Model

- May be based on a product, beneficiary, particular process, activity or structure
- Extraordinary & contingent upon company
- Unique to the B Impact Assessment


Operational Impacts

- Covers facilities, purchases, employees, and governance
- Applies to all companies independent of design or intent
- Aligned with other best-in-class standards

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APPLY BENCHMARKS & BASELINES



Break-Even Goals

Break-Even Goals represent the line in the sand **every business must strive to reach** to be sure it is not slowing down progress to a flourishing future.

Natural Resources

Natural resources are managed to respect the welfare of ecosystems, people and animals

1	2	3	4	5	6	7	8	SDG
9	10	11	12	13	14	15	16	17

Positive Pursuits

23 business goals

Positive Pursuits identify the socially beneficial and environmentally restorative outcomes **any business may pursue** to speed up our progress.

Natural resources


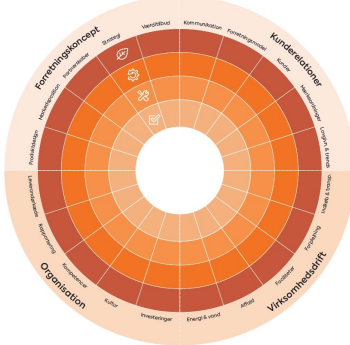
Natural resources are managed to ensure their continued availability for future generations, and to prevent damage to supporting ecosystems and communities.

1	2	3	4	5	6	7	8	SDG
9	10	11	12	13	14	15	16	17

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APPLY BENCHMARKS & BASELINES

www.erhvervshovedstaden.dk/baeredygtighed

Trin 1
Minimumskrav
Virksomheden følger udefrakommende krav og regler

Trin 2
Effektivitet
Resourceforbrug og effektivisering undersøges i virksomheden

Trin 3
Holdbare løsninger
Virksomheden har sat mål om ikke at gøre skade på miljø og samfund – net zero eller nulmål

Trin 4
Bæredygtig vækst
Fremfor blot at «gøre mindre skade», bidrager virksomheden til miljøet, samfundet og økonomien

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PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

CONSIDER REPORTING FRAMEWORKS & STANDARDS


CSRD – Corporate Sustainability Reporting Directive

Crosscutting standards




ESRS 1 General requirements
ESRS 2 General strategy, governance and impacts, risks and opportunities, management disclosures

Standards for environmental aspects




ESRS E1 Climate change
ESRS E2 Pollution
ESRS E3 Water and marine resources
ESRS E4 Biodiversity and ecosystems
ESRS E5 Resource use and circular economy

Standards for social aspects



ESRS S1 Own workforce
ESRS S2 Workers in the value chain
ESRS S3 Affected communities
ESRS S4 Consumers and end-users

Standards for governmental aspects



ESRS G1 Business conduct

<https://webgate.ec.europa.eu/regdel/web/delegatedActs/2111/documents/20661?lang=da>

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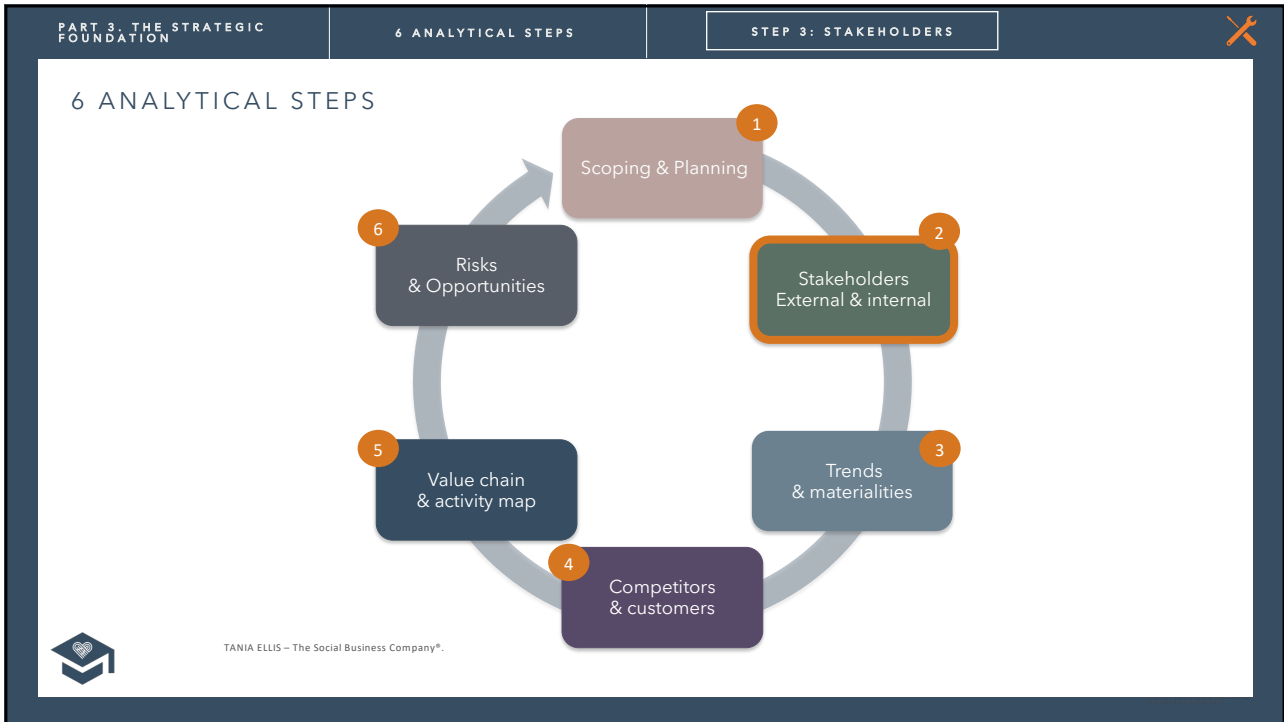
KEY REFLECTIONS

REFLECTIONS ON SCOPING & PLANNING

- 💡 What is your mandate from top management?
- 💡 How could you set up your project organisation?
- 💡 What is the overall ambition of your sustainable business efforts?
- 💡 How could / should you create a benchmark or baseline?
- 💡 What framework(s) would be most relevant for your business?

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PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 2: STAKEHOLDERS

HOW STAKEHOLDERS

The company's stakeholders are those who make it possible to run a business. Customers, employees, regulators etc.

It is therefore important to understand what kind of CSR-related demands and expectations they may have, to what extent they can impact the business – and to what extent our business can impact them.

Purpose:
Tools and methodologies for mapping and involving key stakeholders in order to identify their sustainable business-related needs and expectations.

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OUR STAKEHOLDERS

#1 WHO ARE THEY

#2 HOW IMPORTANT ARE THEY

#3 WHAT DO THEY CARE ABOUT

#4 HOW DO WE RESPOND

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STAKEHOLDER MAP | TEMPLATE

Check questions

Which persons, companies and organizations are affected by or have significant or critical influence on your business operations? (place in inner circle)

Which persons, companies, organizations or authorities - in addition to the above-mentioned - may have an impact on your business? (place in outer circle)

Model inspired by Overskud Med Omtanke, Erhvervs- og Selskabsstyrelsen, 2006

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STAKEHOLDER RATING | TEMPLATE

Concern

High Concern / Low Influence

High Concern / High Influence

Low Concern / Low Influence

Low Concern / High Influence

Influence

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STAKEHOLDER RATING | EXAMPLE

Appendix 8: Stakeholder rating

Concern

High Concern / Low Influence

High Concern / High Influence

Low Concern / Low Influence

Low Concern / High Influence

Influence

Customers

Investors

Suppliers

Employees

Governments

Owners

Competitors

Potential employees

Local communities

Media

Industry

EU

NGOs

Universities

Consumers

UN

Other suppliers

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STAKEHOLDERS | EXAMPLES

MORE STAKEHOLDER EXAMPLES

- Social entrepreneurs
- Sustainability-related institutes and organisations
- Governmental organisations
- Municipalities
- Online communities
- Specialist consultants

ALSO CONSIDER SILENT STAKEHOLDERS!

See more examples in People & Profit guide, pp. 25-33

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STAKEHOLDER ANALYSIS | EXAMPLE

The stakeholder analysis – Process will often start by identifying all stakeholders and step two will be to prioritize identified stakeholders

ILLUSTRATIVE

COMPANY: "Stakeholder is important for us to achieve our business objectives"

Stakeholders that can be addressed when needed

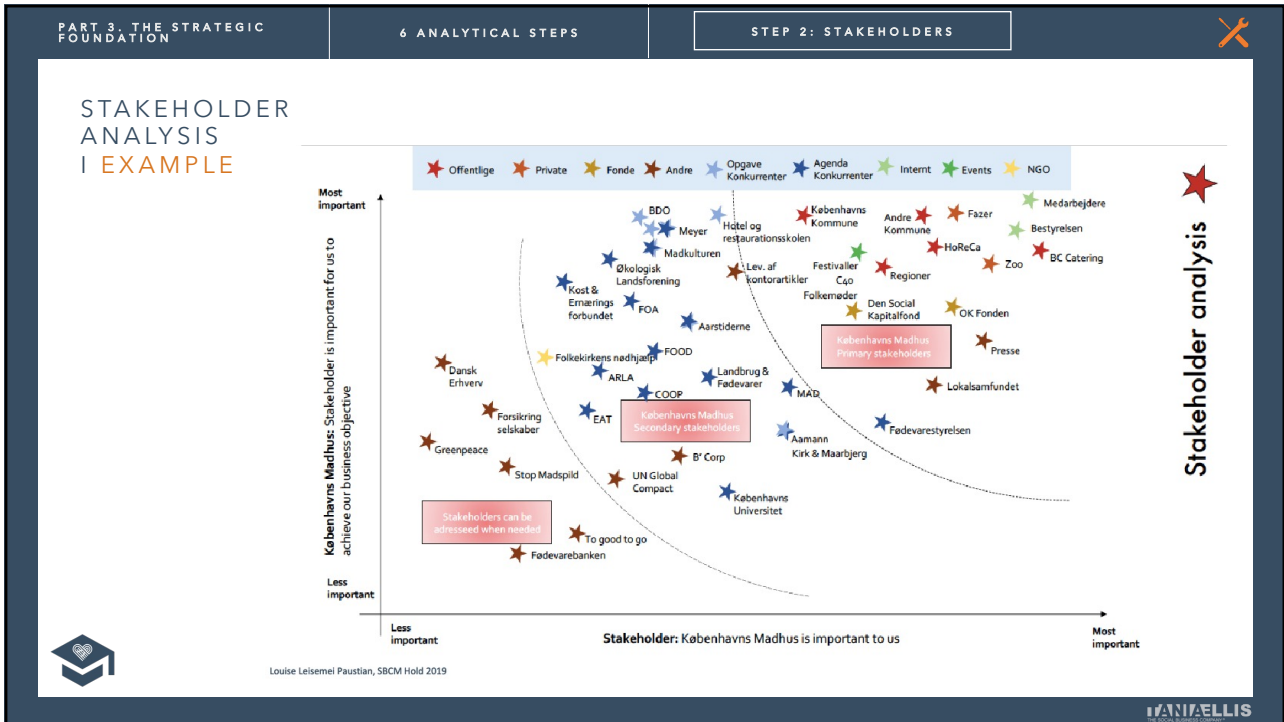
COMPANY's primary stakeholders

COMPANY's secondary stakeholders

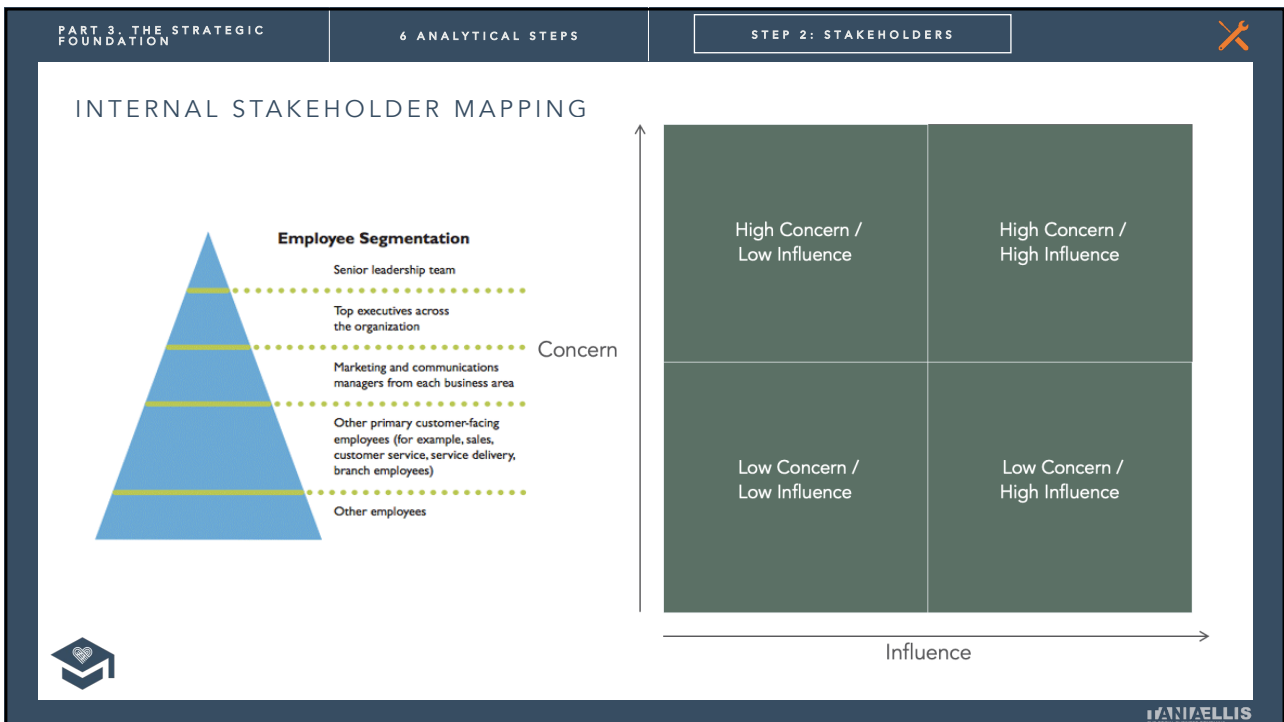
Stakeholder: "COMPANY is important to us"

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EMPLOYEE SURVEY (knowledge & motivation) | EXAMPLE

#module1 #module2 #employee_surveys

MVOW sustainability journey survey 2020 (Kopier)

In MVOW our sustainability strategy focuses on three areas:
PEOPLE - Health, Safety, Diversity & Inclusion, Human Rights
PLANET - Green House Gas emissions, Energy consumption, Waste and
BUSINESS - Anti-bribery & corruption, Supplier Code of Conduct, Supply

It is highly appreciated if you would answer the questions below. It takes 2-5 minutes to complete, and all answers are anonymous.

1. Please select your current working area

- Global Supply Chain (GSCM)
- Technology (CTO)
- Operations (COO)
- Commercial organisation
- HR, Finance, Legal & Risk, QHSE & IT
- CEO office, Strategy, Program Management

2. Please select your corporate title

- CEO, Co-CEO, VP, SVP, Chief Project Manager
- Director, Senior Director, Senior Specialist, Senior Project Manager
- Specialist, Project Manager, Manager, Senior Manager
- Service Technician
- Administrative, Professional
- Skilled worker, Semi-skilled worker, Team Leader
- Do not know / other

3. How would you evaluate your knowledge about Sustainability in general?
 No knowledge 1 2 3 4 5 High knowledge

4. How would you evaluate your knowledge about the MVOW Sustainability strategy?
 No knowledge 1 2 3 4 5 High knowledge

5. How would you evaluate your knowledge about the MVOW Sustainability activities (S&D) area?
 No knowledge 1 2 3 4 5 High knowledge

6. How would you rate your motivation for working with Sustainability as an integral part of your job at MVOW?
 No motivation 1 2 3 4 5 High motivation

7. How is working with Sustainability (projects, targets, initiatives) integrated in your work?
 No integration 1 2 3 4 5 High integration

8. What are your expectations towards MVOW's work with Sustainability?
 No expectations 1 2 3 4 5 High expectations

9. How does MVOW live up to your expectations regarding Sustainability?
 Not at all 1 2 3 4 5 All expectations are met

10. How would you like to be engaged in Sustainability activities in MVOW?

- Participating in a forum for MVOW employees working with Sustainability
- Participating in general Sustainability training
- Participating in a Sustainability forum, available for all employees, where ideas, initiatives and projects are shared mainly in WRITTEN form
- Participating in a Sustainability forum, available for all employees, where ideas, initiatives and projects are shared in VIRTUAL meetings
- Participating in a Sustainability forum, where ideas, initiatives and projects are shared in VIRTUAL meetings
- Participating in a Sustainability trainer
- Via Town Hall meetings
- Reading the annual Sustainability rep
- Information from immediate manager
- A circulated monthly bulletin
- Being engaged in Sustainability projects
- Information on the Grid
- The possibility to perform voluntary v benefits society)
- Other

Please answer the following questions if you... to any degree, are working on a Sustainability initiative or project, or have a Sustainability target

11. Are your tasks and/or responsibilities within Sustainability clearly defined?
 Not at all 1 2 3 4 5 Yes, they are clearly defined

12. Do you have the knowledge required to perform your tasks and/or responsibilities within Sustainability?
 Not at all 1 2 3 4 5 Yes, I have the knowledge required

13. Are the processes for your work with Sustainability clearly defined?
 Not at all 1 2 3 4 5 Yes, they are clearly defined

14. Are your Sustainability tasks and/or responsibilities a part of your current role description?
 Not at all 1 2 3 4 5 Yes

Back Submit

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SPØRGEGUIDE TIL AT FÅ INPUT FRA FORRETNINGEN | EKSEMPEL

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1. Vores overordnede forretningsstrategi

- Hvilke forretningsmål, indsatsområder inden for de næste 3 år?
- Hvad er brændende platform / største udfordringer inden for de næste 3 år?
- Hvilke udviklingsplaner? Forretningsmuligheder?
- Hvor ligger største omkostningsposter?
- Hvad forbinder du med CSR / hvilken opfattelse har du af CSR?
- Hvilken værdi oplever du at CSR har - eller kan få - for forretningen?

Critical Business Challenges

2. Funktioner (drift; udvikling; kunde; kommunikation; forretningsudvikling; økonomi)

- Hvilke vigtigste mål er der for afdelingen de næste 3 år?
- Hvad er de 3 største udfordringer inden for de næste 3 år?
- Hvilke udviklingsplaner / -muligheder er der inden for de næste 3 år?
- Hvor ligger de største omkostningsposter?
- Hvad forbinder du med CSR / hvilken opfattelse har du af CSR?
- Hvilken værdi oplever du at CSR har - eller kan få - for forretningen?

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 2: STAKEHOLDERS

EXTERNAL STAKEHOLDERS - GET TO KNOW

Legend: Opgave Konkurrenter (blue star), Agenda Konkurrenter (blue star), Internt (green star), Events (green star), NGO (yellow star)

Engagement Methods: TALK/MEET, SURVEYS, REPORTS

Stakeholders: Hotel og restaurationskolen, Københavns Kommune, Andre Kommune, Eszter, Medarbejdere, Bestyrelsen, BC Catering, Zoo, HoReCa, Regioner, Festivaller C40, Folkemøder, Den Social Kapitalfond, OK Fonden, Presse, Lokalsamfundet, Landbrug & Fødevarer, MÅB, Aamann Kirk & Maarbjerg, Fødevarestyrelsen, København Madhus Primary stakeholders

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CSR STAKEHOLDER VALUE PROPOSITIONS | TEMPLATE

Stakeholders	Demands & expectations	CSR activities (our stakeholder response)	Our added value Financial returns	Our added value Societal returns	Goals/Indicators/KPIs

CSR stakeholder value propositions. TANIA ELLIS - The Social Business Company*. Model inspired by Haisler & Holbech, CSR-ledelse, Børsens Forlag, 2008

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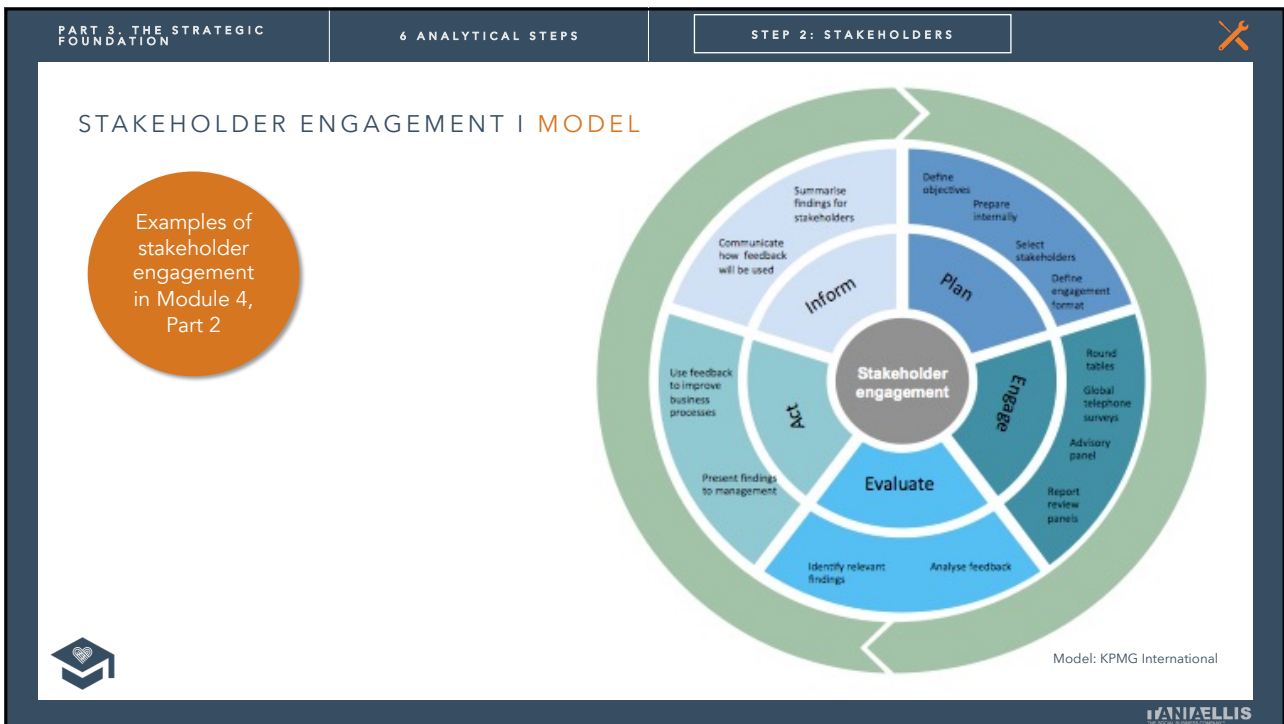
PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 2: STAKEHOLDERS

CSR STAKEHOLDER VALUE PROPOSITIONS | EXAMPLE

Stakeholders	Demands & expectations	CSR activities (our stakeholder response)	Our added value Financial returns	Our added value Societal returns	Goals/Indicators/KPIs
Owners	Financial return Reputation	ESG-related business activities	Return on investments that are above average	Positive environmental and social contributions	ROI High ESG and Image ratings
Employees	Development opportunities Image	Sustainable employee engagement activities Skilled volunteering	Low employee turnover rate / high retention rate	Good place to work – happy and healthy employees Employee contributions for social or environmental impact	Employee satisfaction rate minimum 80% Top ranking Good Place To Work

CSR stakeholder value propositions. TANIA ELLIS - The Social Business Company®, Model inspired by Haistler & Holbech, CSR-ledelse, Børsens Forlag, 2008

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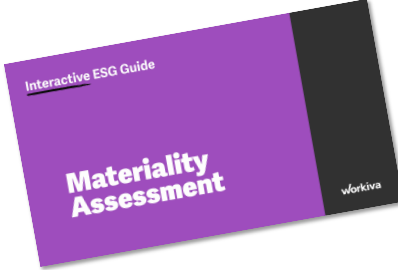


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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 2: STAKEHOLDERS

#module1 #stakeholders #tools

STAKEHOLDER ANALYSIS & ENGAGEMENT | GUIDE



List Stakeholders

Whose perspectives will you gather during your research?

Internal		External		Contact Info	Method of Engagement
Ex: Executives, department heads, board members, global team leads		Ex: Customers, peers, competitors, investors, nonprofit groups, trade associates		Ex: email@company.com	Ex: Survey, 1:1 interview, etc.
Name	Title, Dept.	Name	Title, Dept.		

Engage Stakeholders

You can use surveys with multiple choice answers to gather quantitative data, and ask stakeholders to score their priorities, either on a point scale or in terms of low, medium, or high. Use interviews to ask open-ended questions and follow-up questions to gather qualitative insights. The questions to the right are examples of what you might ask.

ProTip

Consider providing a pre-populated list of topics or issues (perhaps CSV) as a guide for stakeholders to discuss.

For surveys, it will help to know how you will visualize and tally survey results before you build the questions. Consider your audience and working system and address whether you will need a different survey tool (different audiences for example, one for employees and one for customers).


Sample Interview Questions	Notes (Qualitative Insights)	Score
Which issues do YOU view as important?		
• Issue 1		
• Issue 2		
• Issue 3		
How does the issue affect what we deliver to customers?		
How does the issue apply to our business model?		
What actions are expected of our industry on this topic?		
What are the risks of not addressing the issue?		

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KEY REFLECTIONS

REFLECTIONS ON STAKEHOLDERS




- Who are your primary & secondary CSR/business stakeholders?
- How can/are they affecting your sustainable business efforts?
- How could you get input from key external stakeholders?
- How could you get input from key internal stakeholders?

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EXERCISES

REFLEKSION 

Hvilke CSR/ESG-krav & forventninger har jeres interessenter?


Interessentgruppe	Krav og forventninger

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6 ANALYTICAL STEPS

STEP 2: STAKEHOLDERS 

FOROPGAVE TIL MODUL 1

"KORTLÆG INTERESSENERNE TIL DIN VIRKSOMHEDSCASE"

DK 

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PART 3 - THE STRATEGIC FOUNDATION 6 ANALYTICAL STEPS STEP 2: STAKEHOLDERS

CSR STAKEHOLDER VALUE PROPOSITIONS I SKABELON

Interessenter	Krav & forventninger	CSR aktiviteter (vores svar på forventningerne)	Den merværdi vi skaber Økonomiske gevinster	Den merværdi vi skaber Samfundsgevinster	Mål/Indikator/KPI

DK

CSR stakeholder value propositions. TANIA ELLIS - The Social Business Company®. Model inspired by Haisler & Holbech, CSR-ledelse, Bersens Forlag, 2008

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PART 3 - THE STRATEGIC FOUNDATION 6 ANALYTICAL STEPS STEP 2: TRENDS & MATERIALITIES

6 ANALYTICAL STEPS

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    graph TD
      1[1. Scoping & Planning] --> 2[2. Stakeholders External & internal]
      2 --> 3[3. Trends and materialities]
      3 --> 4[4. Competitor analysis]
      4 --> 5[5. Value chain & activity map]
      5 --> 6[6. Risks & Opportunities]
      6 --> 1
  
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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

HOW TRENDS & MATERIALITIES

In order to focus your sustainability efforts, it is important to first assess and then to prioritize which global megaforges and market trends that may affect the business both short and long term.

This assessment and prioritization should be conducted as seen through the lense of the company's business activities and stakeholder expectations.

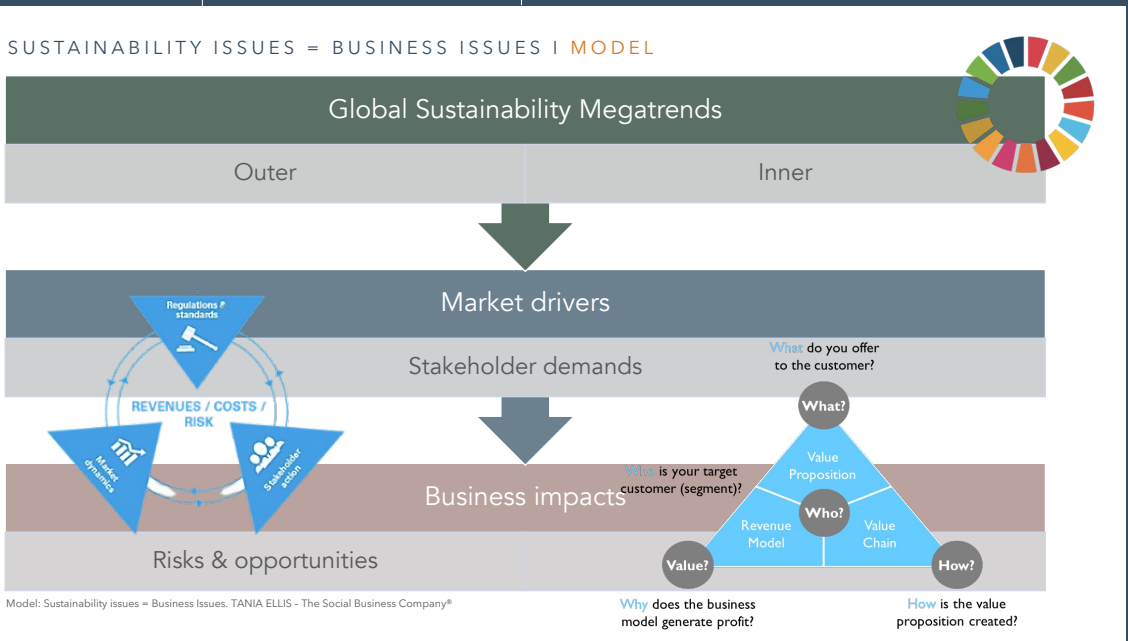
Purpose:
Analytical approach to gaining overview of change drivers and their impact on business as well as prioritization of sustainability issues that would be most relevant for the business to address.



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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

SUSTAINABILITY ISSUES = BUSINESS ISSUES | MODEL



Global Sustainability Megatrends

Outer | Inner

Market drivers


Stakeholder demands

Business impacts

Risks & opportunities

Model: Sustainability issues = Business Issues. TANIA ELLIS - The Social Business Company*

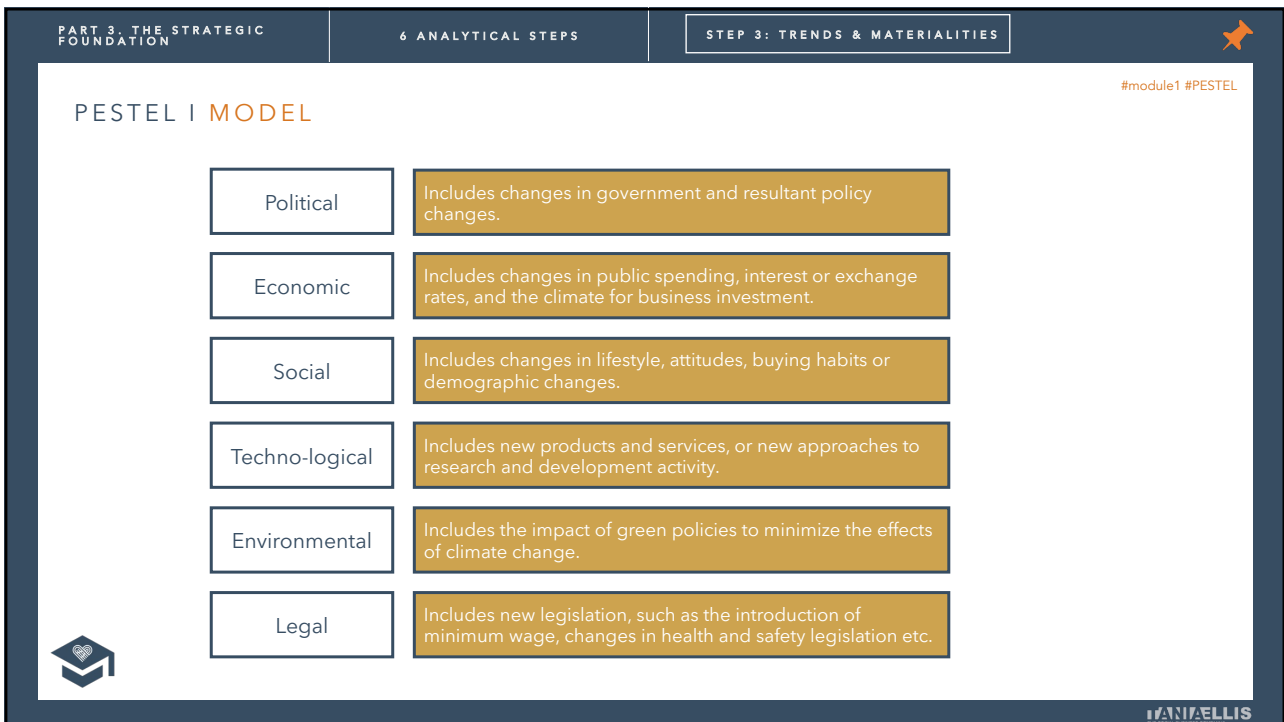
Why does the business model generate profit? | How is the value proposition created?



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PART 3 - THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

MEGAFORCES/TRENDS ANALYSIS

(compilation slide)

FIGURE 1: SUSTAINABILITY MEGAFORCES

Climate Change | Energy & Fuel | Material Resource Scarcity | Water Scarcity | Population Growth
 Health | Urbanisation | Food Security | Ecosystem Decline | Desertification

Source: Expert in the Unexpected, KPMG, 2012

Global Risks Landscape 2021

Top Global Risks by Likelihood

Top Global Risks by Impact

Sustainability Issues - Business Issues

Global Sustainability Megatrends (Outer) → Inner → Market drivers → Stakeholder demands → Business impacts → Risks & opportunities / Business practices

MARKET DRIVERS

RESPONSIBILITY & SUSTAINABILITY

The 5 Markets of Change

	Needs	Markets	Exchanges
1	Meaning and self-realisation	Conscious labour markets	Work ↔ engagement and fulfilment
2	Social interaction and sharing	Hybrid markets	Products and services ↔ enthusiasm and skills
3	Involvement and participation	Collective intelligence markets	Problems ↔ feedback, ideas
4	Transparency and fairness	Activism markets	Information ↔ Actions
5	Ethics and responsibility	Ethical consumption markets	Values ↔ money

MAKING GLOBAL GOALS LOCAL BUSINESS

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DAY 3 - THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

MATERIALITY

AN AUDITING & ACCOUNTING CONCEPT

materiality

/mə'tiəri'alti/

the quality of being relevant or significant.
 "the applicant must establish materiality on the balance of probabilities"

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES


A MANDATORY REPORTING REQUIREMENT (CSRD)

MORE ABOUT CSRD IN M1, PART 1 (overview), PART 2 (ESG & legal compliance) + M4, PART 1 (in-depth)

CSRD REPORTING AREAS:

- **Business model and strategy**, including plans to ensure compatibility with the limiting of global warming to 1.5°C, and consideration of stakeholders.
- **Sustainability goals and progress:**
 - **Role of governance bodies**
 - **Sustainability policies** and description of (i) due diligence, (ii) adverse value chain impacts, and, (iii) remediation actions.
 - **Sustainability risks** and their management
 - **Indicators** related to the above topics.
 - **Intangibles**, i.e. intellectual, human, social and relational capitals.
 - **Double materiality assessment.**
 - **Time horizon: short, medium and long term.**
- **Value chain** including own operations, products and services, business relationships and supply chain.

Source: Deloitte




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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

MATERIALITY ASSESSMENT VER 1.0

STAKEHOLDER/IMPACT MATERIALITY

Visual representation of prioritization of topics



MATERIALITY ASSESSMENT VER 2.0

DOUBLE MATERIALITY

Reporting double materiality

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DAY 3 – THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 3: TRENDS & MATERIALITIES

Dobbelt væsentlighedsvurdering

Skal afdække indvirkninger (I), risici (R) og muligheder (O) i din værdikæde.

INDVIRKNINGSVÆSENTLIGHED
Hvordan indvirker (I) din virksomhed på mennesker, klima og miljø?

Dobbelt væsentlighed

FINANSIEL VÆSENTLIGHED
Hvilke risici (R) og muligheder (O) inden for bæredygtighed påvirker din virksomhed finansielt?




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DAY 3 – THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 3: TRENDS & MATERIALITIES

Hvilke IRO'er afdækker du

- 1** Anbefalet liste fra ESRS eller basismodul
- 2** Afdækning af generel kontekst i geografi og branche
- 3** Virksomhedens specifikke aktiviteter



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DAY 3 – THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 2: TRENDS & MATERIALITIES

SOURCES FOR IDENTIFICATION OF MATERIALITIES | EXAMPLES

Internal Sources

- Interviews with Board and Executives
- Enterprise Risk Management Reports
- Subject Matter Experts
- Historic Sustainability Reports
- Past Materiality Assessments
- Company Objectives and Strategic Planning

External Sources

- Global and Industry Trends
- ESG Investor Indexes
- Peer Companies
- Community Response Mechanisms
- Media Scans

The diagram shows a central circle labeled "determining Materiality at Barloworld". Surrounding this circle are several sources of information, each connected by a dotted line to a red dot on the circle's perimeter. Clockwise from the top, these sources are: Strategies (Set targets), Internal/external audit reports, Regulatory legal requirements, Employee perception surveys, Stakeholder engagements, Policies (Codes of conduct, Values), Risk management process, Media requirements, Meeting agendas (Minutes), and Customer surveys.

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PART 3: THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

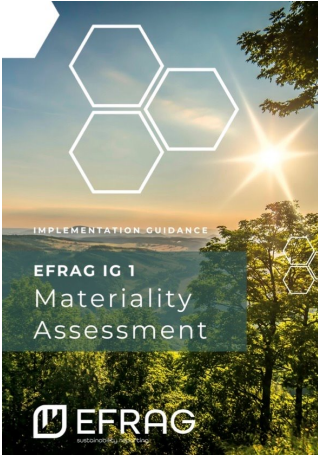
DOBBELT VÆSENTLIGHEDSVURDERING

INDVIRKNINGS/VÆSENTLIGHED <small>hvilken grad påvirker din virksomheds mennesker og miljø?</small>	Meget stor					
	Stor					
	Medium					
	Lille					
	Meget lille					
		Meget lille	Lille	Medium	Stor	Meget stor
		FINANSIEL VÆSENTLIGHED				
		<small>I hvilken grad påvirkes din virksomheds finansielle performance af bæredygtighedsrelaterede risici og muligheder?</small>				

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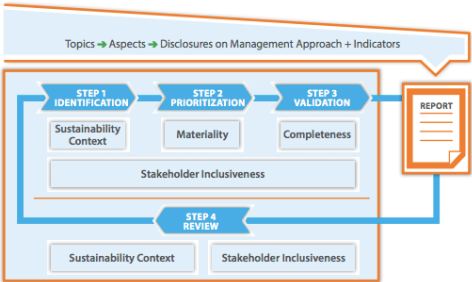
PART 3 - THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

MATERIALITY PROCESS | EXAMPLE



Guide til væsentligheds-vurdering (maj 2024)

https://www.efrag.org/Assets/Download2asset/Url/sites/webpublishing/SiteAssets/IG+1+Materiality-Assessment_final.pdf



Global Reporting Initiative

Topics → Aspects → Disclosures on Management Approach + Indicators

STEP 1 IDENTIFICATION: Sustainability Context

STEP 2 PRIORITIZATION: Materiality

STEP 3 VALIDATION: Completeness

STEP 4 REVIEW: Sustainability Context, Stakeholder Inclusiveness


REPORT

G4 Sustainability Reporting Guidelines, GRI Reporting Principles and Standard Disclosures

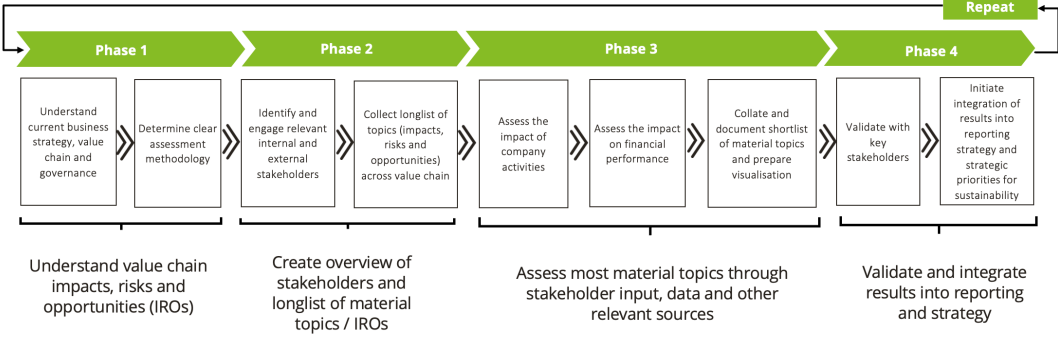
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Typical phases in a Double Materiality Assessment (DMA)



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Phase 1

- Understand current business strategy, value chain and governance
- Determine clear assessment methodology

Phase 2

- Identify and engage relevant internal and external stakeholders
- Collect longlist of topics (impacts, risks and opportunities) across value chain

Phase 3

- Assess the impact of company activities
- Assess the impact on financial performance
- Collate and document shortlist of material topics and prepare visualisation

Phase 4

- Validate with key stakeholders
- Initiate integration of results into reporting strategy and strategic priorities for sustainability

Repeat

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DAY 3 – THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

1 Skitsering af værdikæde

2 Afdækning af Bæredygtighedsrelaterede IRO'er (indvirkninger, risici og muligheder)

3 Vurdering af IRO (indvirkninger, risici og muligheder)

4 Efterfølgende skridt

[Væsentlighedsvurdering for SMV'er - sådan griber du det an | Bæredygtige værdikæder \(xn--bredygtigevrdikder-oubke.dk\)](#)

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DAY 3 – THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

Erhvervshusene | Bæredygtige Værdikæder

Hvordan identificerer du dine IRO'er?

28 prædefinerede kort med generiske indvirkninger, risici og muligheder

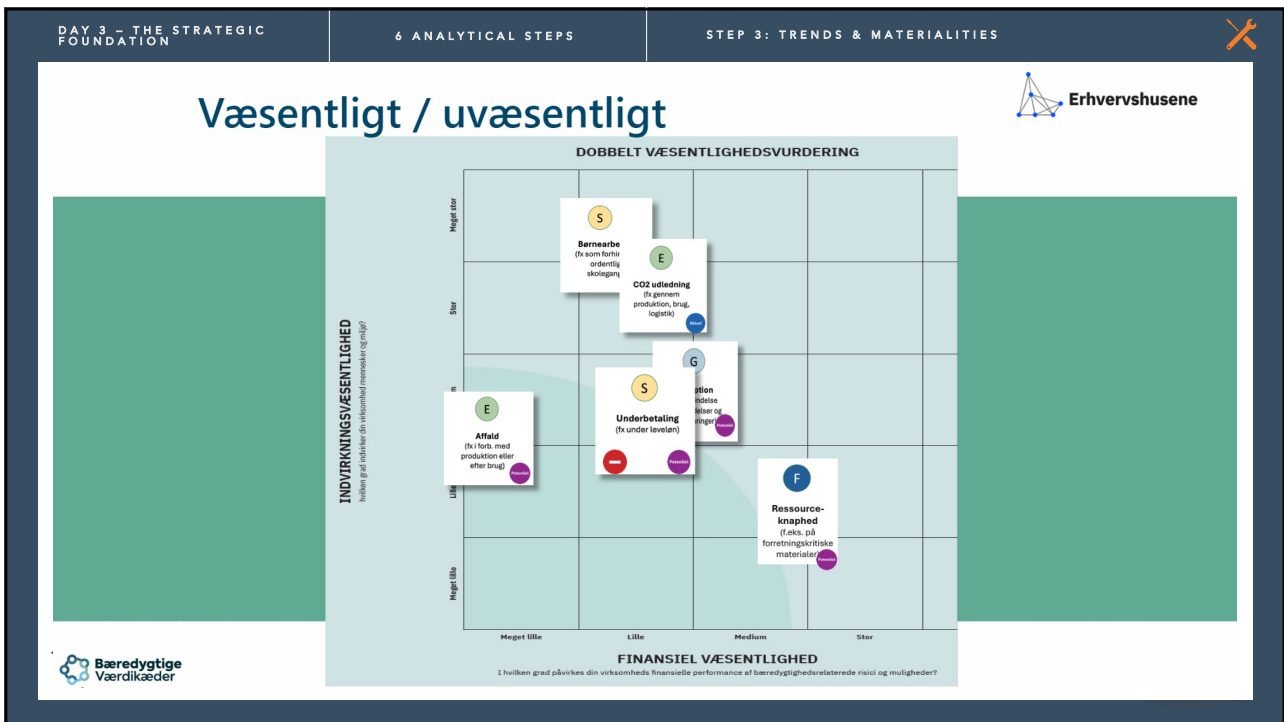
E CO2 udledning (fx gennem produktion, brug, logistik)	E Forurening af luft, vand, jord (fx gennem produktion, brug, logistik)	E Vandforbrug (fx i områder med vandmangel, eller bare højt vandforbrug)	E Affald (fx i forb. Med produktion eller efter brug)	E Ressourcebrug (fx sparsomme materialer eller økosystemer)	E Udyddelse af arter (fx via arealændring, minedrift, havbrug, overfiskning etc.)	E Påvirkning af økosystemer (fx skovdrift, minedrift, havbrug)	E Havmiljø (fx opvarmning, forringelse af bestand)			
S Sundhedsrisiko (fx brug af kemikalier eller usundt arbejdsmiljø)	S Daglejri (fx manglet på ret til organisering)	S Sikkerhedsrisiko (fx forbindelse med håndtering af maskineri eller arbejdssteder)	S Vold og chikane (fx firm ledelse eller mod tlførelingsforkæmpere)	S Børnearbejde (fx som forhindrer ordentlig skolegang)	S Undertrykkelse (fx af oprindelige folks rettigheder)	S Underbetaling (fx under leveplan)	S Retten til privatliv (fx i forbindelse med dataskikkerhed)	S Forskelsbehandling (fx ligelan m/r)		
G Korruption (fx forbindelse med tilladelse og certifikater)	G Bestikkelse (fx forbindelse med opgavetildeling)	G Uhæderlig forretningsførelse (fx forbindelse med unfair konkurrence)	F Ressourceknaphed (fx eks. på forretningskritiske materialer)	F Lovgivning (fx eks. afgifter, påbud, forbud)	F Produktionsudfordringer (forårsaget af vand og strøm mangel)	F Rekrutteringsudfordringer (fx eks. præferencer i ny generation)	F Geografiske spændinger (forårsaget af klimarelateret udfordringer)	F Forretningspotentiale (fx eks. marked for nye typer af produkter)	F Omdømme (fx eks. dårlige arbejdsforhold eller politiske alliancer)	F Klimaforandring (fx eks. indvirkning på naturressourcer logistik eller arbejdskraft)

Aktuel | Potentiel | + | - | ?

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 2: TRENDS & MATERIALITIES

#module1 #materiality #cases

MATERIALITY ASSESSMENT VER 2.0 "DOUBLE MATERIALITY" | EXAMPLE

Materiality assessment, Telefonica, 2022

Legend:

- Social Capital
- Human Capital
- Business model and Innovation
- Governance and Leadership
- Environment

Topics plotted include: Management of Energy and Emissions (GHG), Employee Health and Safety, Digital inclusion, Cybersecurity, Competitive Behaviour, Management of the legal and regulatory environment, Customer privacy, Work practices, Commitment to employees, Diversity and Inclusion, Customers and responsible, Managing systemic risks, Managing the risk of critical incidents, Physical impacts of climate change, Air quality, Product Security, Resilience of the business model, Sustainable P&S (includes Eco Smart), Ecological Impacts, Human Rights, Business ethics, Conflict Minerals, Management of water and wastewater, Management of waste and hazardous materials, Management of the Supply Chain, and Human Rights.

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 2: TRENDS & MATERIALITIES

#module1 #materiality #cases

REMEMBER STAKEHOLDER ENGAGEMENT TO VALIDATE OUTCOMES + PROCESS DOCUMENTATION!

Example of Telefonica's materiality assessment process:

Stakeholder perspective is still important!

Process graphic: www.telefonica.com/en/communication-room/blog/double-materiality-its-importance-and-how-we-apply-it-at-telefonica/

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES | #module1 #materiality #tools

SOME USEFUL TOOLS...

Materiality planning & process elements:

- ✓ Research (materiality topics)
- ✓ Impact/financial perspective
- ✓ Value chain impacts- upstream/downstream
- ✓ Positive/negative
- ✓ Actual/potential impact
- ✓ Time horizon (short, medium, long-term)
- ✓ Stakeholder segmentation (internal/external)
- ✓ Engagement formats
- ✓ Prioritization
- ✓ Process documentation

www.finchandbeak.com/1713/double-materiality-tips-for-practical.htm

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES | #module1 #materiality #tools

SOME USEFUL TOOLS...

Timeline

Sketch in the desired deadlines to complete each stage.

Research

Engage

Priorise

Activate

	Internal	External	Contact Info	Method of Engagement
Name	Title/Dept.	Name	Title/Dept.	

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

SOME USEFUL TOOLS... DK #module1 #materiality #tools

6 trin til at identificere IRO

1. Identifikation af indvirkninger
2. Analyse af indvirkninger
3. Identifikation af risici
4. Vurdering af muligheder
5. Kategorisér IRO'erne

Sådan laver du en dobbelt væsentlighedsvurdering

VIRKSOMHEDS GUIDEN.DK

RS - Emnespecifikke standarder				Skala 1-5	Særlig vægtning	Indvirkningsvæsentlighed (INSIDE OUT)						Finansiell væsentlighed (OUTSIDE IN)						
Emne	Under-emne	Under-underemne	Tidshorisont	1.00		Indvirkning	Status	Sandsynlighed	Skala	Omfang	Uoprettelige karaktere	INSIDE OUT SCORE	DATA GAP	Virkning	Sandsynlighed	Omfang	OUTSIDE IN SCORE	DATA GAP

Sådan laver du en dobbelt væsentlighedsvurdering | Virksomhedsguiden

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 3: TRENDS & MATERIALITIES

DOUBLE MATERIALITY MATRIX | TEMPLATE

Impact on society

High impact

Low impact

Low impact

High impact

Impact on business value

Focus areas 1

Focus areas 2

Focus areas 3

Focus areas 4

Human rights

Responsible supply chain

Health

Safety

Energy

Diversity

Anti-corruption

Impact on society

High impact

Low impact

Low impact

High impact



Impact on business value

Our modified version of Deloitte matrix model from CSR Drejebogen, Erhvervsstyrelsen, 2014.


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EXERCISES


REFLECTIONS ON TRENDS & MATERIALITIES


Which trends & market drivers would you include in your PESTEL?





Would working with scenarios be relevant for your business?



Which sources would you use to identify materialities?




How could you gather materiality input from key stakeholders?

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EXERCISES

REFLEKSION



1. Hvilke kilder ville du bruge / hvordan ville du researche dig frem til virksomhedens væsentligheder?


2. Hvilke umiddelbare væsentlighedsinput kan I få fra udvalgte interessenter uden at sætte en større proces i gang?

VÆSENTLIGHEDSMATRIX

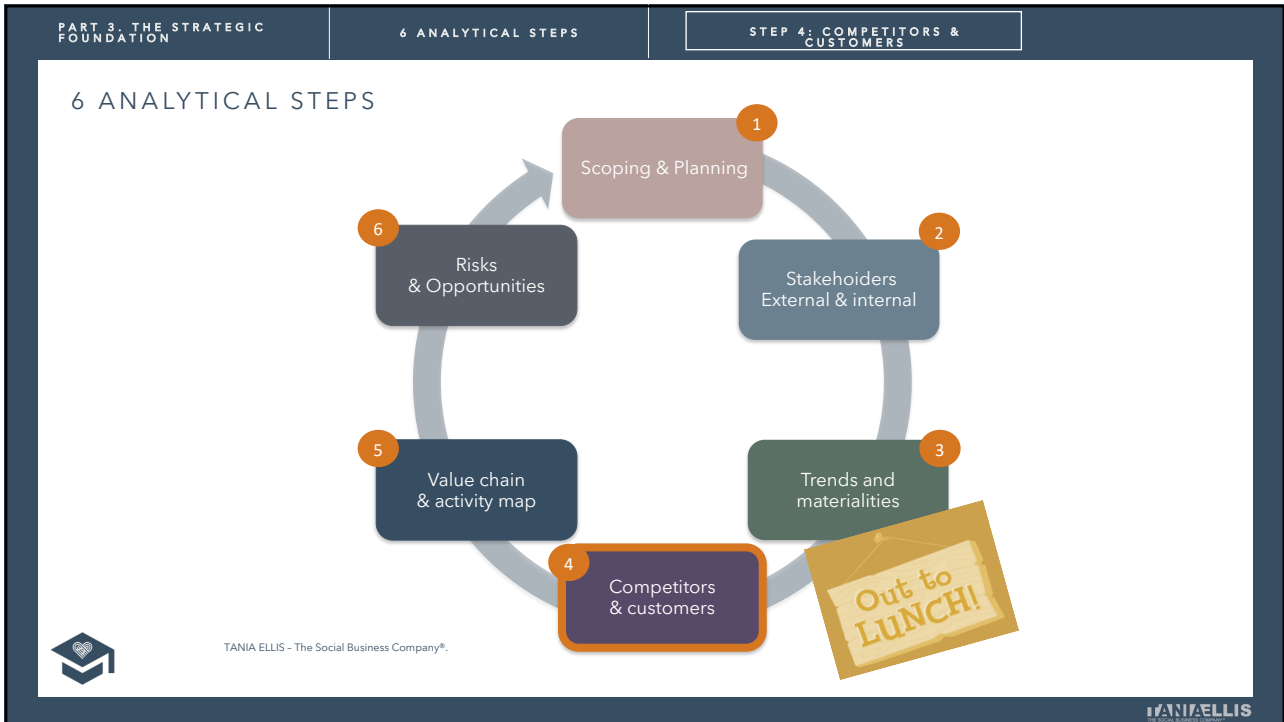
			Menneskerettigheder	Menneskerettigheder
		Antikorruption	Ansvarlig leverandørstyring	Sundhed
	Energi	Mangfoldighed	Sikkerhed	Energi
	Sundhed	Sikkerhed	Mangfoldighed	Antikorruption
	Vigtigt	Meglet vigtigt		

Væsentlighed for interessenter (Y-axis)

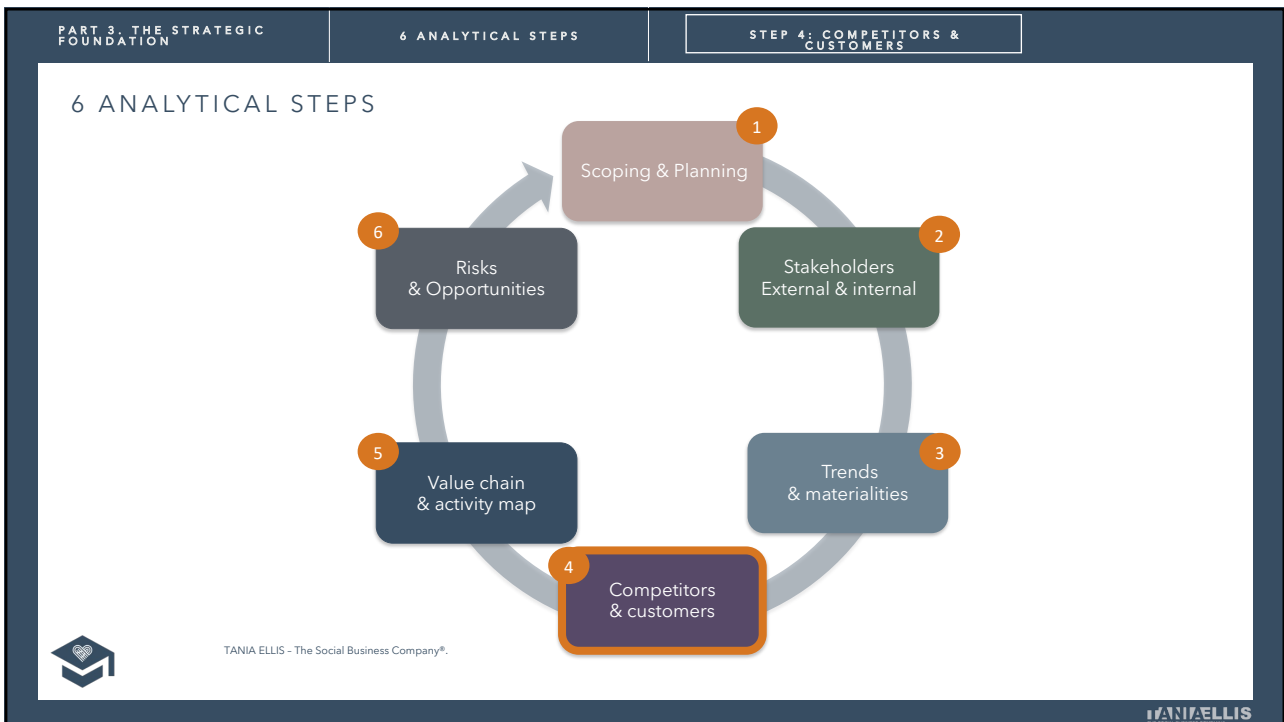
Væsentlighed for forretnings succes (X-axis)

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PART 3 - THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS



STEP 4: COMPETITORS & CUSTOMERS

HOW COMPETITORS & CUSTOMERS



The ability to differentiate is key to gaining a competitive advantage in your particular market. That's why it is important to understand how competitors are working - or not working - with responsibility and sustainability.

Purpose:
Analyze how you can differentiate your sustainability efforts and how you can position the business to meet both customer expectations and demands.



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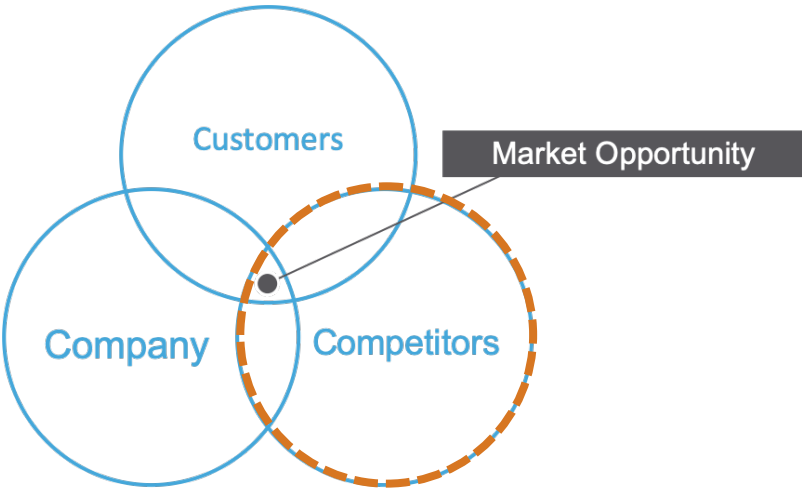
PART 3 - THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 4: COMPETITORS & CUSTOMERS

ANALYSIS OF YOUR MARKET

COMPETITORS + CUSTOMERS



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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

PEER REVIEW / COMPETITOR ANALYSIS | TEMPLATE

	Competitor A	Competitor B	Competitor C	Competitor D	Competitor E
CSR focus areas					
CSR activities					
Governance					
Reporting					
Stakeholder dialogue					

SBCM PRACTITIONER'S TIP

Ift benchmark parametrene er det vigtigt at holde for øje, hvad det er præcis, I vil sammenligne jer på med tanke på jeres ambition og de konkrete indsatsområder, I overvejer at differentiere jer på.

Når jeg har lavet peer reviews har det ofte været i forbindelse med et konkret initiativ fx klima. Jeg har også tidligere brugt at inkludere hvorfor de er peers. Er de konkurrenter ift produkter? Er de konkurrenter ift medarbejdere?

Source: Drejebog CSR i SMVer: Fra Princip til Praksis, Erhvervsstyrelsen 2014

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

PEER REVIEW / COMPETITOR ANALYSIS | EXAMPLE

	Competitor A	Competitor B	Competitor C	Competitor D	Competitor E
CSR focus areas	-----	-----	-----	<ul style="list-style-type: none"> Business Reporting Environment Financial understanding Society Organisation – business integrity board Employees – women in top management 	<ul style="list-style-type: none"> CSR Responsible business Sustainability Environment Supply chain Responsible investment
Activities	<ul style="list-style-type: none"> Reducing energy consumption 	<ul style="list-style-type: none"> Donation 	-----	<ul style="list-style-type: none"> Senior citizens - self-service solutions Children / young people - financial understanding Responsible investment – screening Reducing energy consumption Etc. 	<ul style="list-style-type: none"> Stakeholder involvement Identifying important CSR focus areas Reporting – status & measurement
Governance	-----	-----	-----	<ul style="list-style-type: none"> CSR Board Responsibility policy Member of UN Global Compact 	<ul style="list-style-type: none"> CSR report
Communication	<ul style="list-style-type: none"> Annual report Compliance and climate impact 	<ul style="list-style-type: none"> Annual report Employee well-being No policy for climate or human rights Donation 	<ul style="list-style-type: none"> Annual report Employee well-being On website: "we offer social responsibility for empl. with special needs" 	<ul style="list-style-type: none"> Dedicated websection for CSR 	<ul style="list-style-type: none"> Dedicated websection for CSR

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

PEER REVIEW (supply chain) | EXAMPLE

Criteria	Competitor A	Competitor B	Competitor C	Competitor D	Competitor E
Supplier strategy or policy	Yes, contracts with suppliers are supposed to have a CR clause	Mentions a process but not policy	Procurement policy in Argentina includes environmental criteria	Yes, comprehensive supplier code	Responsible Procurement Principles, human rights policy statement applies to suppliers
Minimum standards and requirements	Yes, covers human rights, environment, child labour, forced labour	Yes, suppliers assessed against criteria including environment, health and safety and labour rights	No information	Yes, covers human rights, labour rights, child labour, environment, health and safety, integrity	Follows international best practice e.g. UNDHR, ILO, UN Global Compact
CR criteria impact procurement decisions	Suppliers are expected to comply with standards and relationship can be terminated if standards not met	Suppliers are assessed against the standards	Responsible suppliers are sought and engaged with Mapfre's standards	Suppliers expected to comply with Unilever's standards	"RSA will strive to ensure that procurement functions ...endeavour to seek partners upholding the same principles through their operations and supply chains where practical"
Collaborative approach to managing supply chain issues	No information	"work with our suppliers to continuously improve our performance in sustainability matters"	"...responsible practices for selecting and contracting with suppliers ... providing them with assistance in their sustainable development in order to engage them in the Group's social responsibility policy"	Yes, e.g. works with suppliers to raise awareness and reduce GHG emissions	"While we do not have a direct influence over our business partners' operations, we look to engage with them and demonstrate our own internal standards"
Score	●	●	●	●	●

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

PEER REVIEW (value propositions) | EXAMPLE

Area	Examples of value derived	Benefits
Encouraging behaviour change to reduce claims	XXXX is trialling a smartphone app that monitors driving and offers discounts to safe drivers	Reduces potential claims through encouraging safer driving
Operations	By 2011, XXXX achieved a 16% reduction on 2008 baseline for energy consumption, 14% reduction in water consumption and a 30% reduction in office supplies compared to 2009	Reduces waste Manages costs
Customers	XXXX offers a car insurance policy to reduce risk through a prevention charter such as not driving late at night at weekends and carrying no more than 2 passengers	Reduces risk
Reducing the impact of claims	XXXX has used the repair over replace principle in domestic property claims for water damage. A monitoring process has reduced stripping out of plaster and render on walls	Reduces waste Manages costs
Risk Management	XXXX investment strategy is based on sustainability. In 2005 it was decided that 80% of investments in equities and bonds should meet sustainability criteria	Sustainable investments can generate higher returns for the same level of risk, according to Munich Re
Brand / Reputation	XXXX states "we are convinced that corporate responsibility is a key differentiator, inspires trust in our customers, boosts the level of engagement of our employees – and enhances our corporate image"	Engages employees Attracts customers
People	"XXXX aims to drive employee engagement by developing networking and a strong team-based culture"	Engages employees

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PART 3 - THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

THE CSR COMPETITOR MAP | TEMPLATE

Competitors	CSR maturity	CSR approach	CSR issues (SDGs)	Our comp. advantage (weak - strong)	Action (no - improve)
				(Use material issues to compare)	

The CSR Competitor Map. TANIA ELLIS - The Social Business Company®.

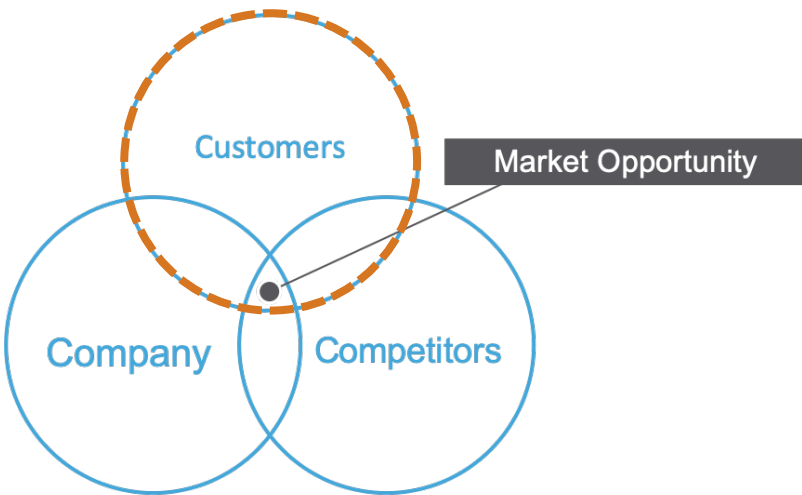


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PART 3 - THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

ANALYSIS OF YOUR MARKET

COMPETITORS + CUSTOMERS



The diagram consists of three overlapping circles: 'Company' (bottom left), 'Competitors' (bottom right), and 'Customers' (top). The intersection of 'Customers' and 'Competitors' is highlighted with a dashed orange border and labeled 'Market Opportunity' with a callout box. A small black dot is placed at the intersection of all three circles.



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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

#consumers #reports

CUSTOMER INSIGHTS (B2C)

Reports & insights in Module 1, Part 1 + Module 3, Part 3

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

#module1 #consumers

ANALYSIS OF CUSTOMER SEGMENTS (B2C)

There is currently no globally recognized or agreed definition of a sustainable consumer /lifestyle.

Increasing engagement ↑	Campaigners (18%) Deeply committed but require supporting evidence to trust <i>Engaged /Responsible /Worried</i>	<i>Rational demonstration</i> Fact based Deep messages (Campaigners) Clear, simple, easy to understand (Confused) Communicate benefit to tackling climate change Communicate at a corporate as well as product and service level	Optimists (21%) Committed and want to feel good <i>Interested / Fashionable / Confident</i>	<i>Emotional involvement</i> Warmer messaging, less explanation Tangible products and services that help tackle climate change Foster the feeling they are contributing (optimists)
	Confused (25%) Undecided and need clarity of why and how <i>Detached /Uninformed /Open</i>		<i>Followers (8%)</i> Partially committed, want to look good Unsure /Image-conscious	Products that are visible to others (followers)
	Unwilling (10%) Accept climate change as an issue but not prepared to act Unconcerned /Inflexible		<i>Respectful facilitation</i> Make it easy – demonstrate no extra effort and no extra cost to them Respect their point of view: show they are not taken for granted, and that no compromise of price or quality has been made on their part	
	Rejecters (18%) Actively reject both the issue and taking action Uninterested /Individualistic /Confident			
	Seeking functional benefits ←			→ Seeking emotional benefits

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

CUSTOMER SURVEYS

3 Types of Customer Survey...

Feedback form

Length: Short
Benefits: Customer
Responses: Actioned
To: All customers

Review request

Length: Short
Benefits: You
Responses: Published
To: All customers

Market research

Length: Long
Benefits: You
Responses: Reported on
To: Customer groups

customer sure

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 4: COMPETITORS & CUSTOMERS

CSR CUSTOMER ANALYSIS (B2B) | TEMPLATE

	Customer A	Customer B	Customer C	Customer D	Customer E
CSR on website					
CSR report?					
Examples of initiatives					
Areas of focus					

CSR Drejebogen, Erhvervsstyrelsen, 2014

THE B2B CUSTOMER MATRIX

High XXX / Low maturity | High XXX / High maturity

Low XXX / Low maturity | Low XXX / High maturity

XXX

CSR maturity

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PART 3. THE STRATEGIC FOUNDATION		6 ANALYTICAL STEPS			STEP 4: COMPETITORS & CUSTOMERS	
CSR CUSTOMER ANALYSIS EXAMPLE						
	Customer A	Customer B	Customer C	Customer D	Customer E	
CSR on website	Short mention	"A responsible banque"	No - but part of 'our values': No bonus programmes, internal sales goals or other aimed at increasing sales.	"In interaction with society"	Consistently incorporated into the website	
CSR report?	Yes	Yes	Annual "Sustainability Report" . Member of UN Global Compact since 2009.	Yes Member of UN Global Compact since 2010.	Yes - annual report includes 'green accounting'	
Examples of initiatives	<ul style="list-style-type: none"> • Jobbank - management career • Mentoring program - leadership talents • Gender & career 	<ul style="list-style-type: none"> • Responsible advisory and lending policy • Ethical investments • Green loan • Transparent prices • No 1 person bonus schemes 	<ul style="list-style-type: none"> • Processes & principles for responsible loans & investments • Contributes to economic community development with local branches, taxes, jobs. 	<ul style="list-style-type: none"> • Free financial advice for abused women, ex-soldiers • Reduction of CO2 • Presence in rural areas 	<ul style="list-style-type: none"> • Core business is based on CSR principles • Among others: screening of customers based on environment and social factors • Green accounting 	
Areas of focus	<ul style="list-style-type: none"> • Gender & Career (2010-2012) • Financial understanding (2013 =>) 	<ul style="list-style-type: none"> • Customers and products • Employees • Community • Climate & environment 	<ul style="list-style-type: none"> • Customers • Employees • Taxpayers 	<ul style="list-style-type: none"> • Climate and environment • Responsible investments • Social partnerships • Stakeholder dialogue 	<ul style="list-style-type: none"> • Loans to environmental & social projects, culture and education • Sustainable investments • Transparency in relation to customers 	


PART 3. THE STRATEGIC FOUNDATION		6 ANALYTICAL STEPS			STEP 4: COMPETITORS & CUSTOMERS	
PEER REVIEW / COMPETITOR ANALYSIS EXAMPLE						
	Competitor A	Competitor B	Competitor C	Competitor D	Competitor E	
CSR focus areas	-----	-----	-----	<ul style="list-style-type: none"> • Business • Reporting • Environment • Financial understanding • Society • Organisation – business integrity board • Employees – women in top management 	<ul style="list-style-type: none"> • CSR • Responsible business • Sustainability • Environment • Supply chain • Responsible investment 	
Activities	<ul style="list-style-type: none"> • Reducing energy consumption 	<ul style="list-style-type: none"> • Donation 	-----	<ul style="list-style-type: none"> • Senior citizens - self-service solutions • Children / young people - financial understanding • Responsible investment – screening • Reducing energy consumption • Etc. 	<ul style="list-style-type: none"> • Stakeholder involvement • Identifying important CSR focus areas • Reporting – status & measurement 	
Governance	-----	-----	-----	<ul style="list-style-type: none"> • CSR Board • Responsibility policy • Member of UN Global Compact 	<ul style="list-style-type: none"> • CSR report 	
Communication	<ul style="list-style-type: none"> • Annual report • Compliance and climate impact 	<ul style="list-style-type: none"> • Annual report • Employee well-being • No policy for climate or human rights • Donation 	<ul style="list-style-type: none"> • Annual report • Employee well-being • On website: "we offer social responsibility for empl. with special needs" 	<ul style="list-style-type: none"> • Dedicated websection for CSR 	<ul style="list-style-type: none"> • Dedicated websection for CSR 	

PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS


STEP 4: COMPETITORS & CUSTOMERS

CUSTOMER TESTIMONIALS





Monday Morning
Morten Christensen
CFO, Monday Morning

"A 100% biologically degradable product is in full alignment with Monday Morning's green mindset as well as the sustainability projects that we conduct under our brand Sustainia. We were concerned about the quality, but after a trial print we had no concerns at all."







KLSPurePrint®





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KEY REFLECTIONS

REFLECTIONS ON COMPETITORS & CUSTOMERS

-  Who are your main competitors? Who are admirable frontrunners?
-  Which peer benchmark criteria would be relevant to apply?
-  Who are your main customers (b2b / b2c)?
-  How could you map customer behaviour and expectations?



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PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 5: VALUE CHAIN & ACTIVITY MAP

HOW VALUE CHAIN & ACTIVITY MAP

A full value chain assessment of your business activities can help you identify materialities, assess impact risks & opportunities and define priorities.

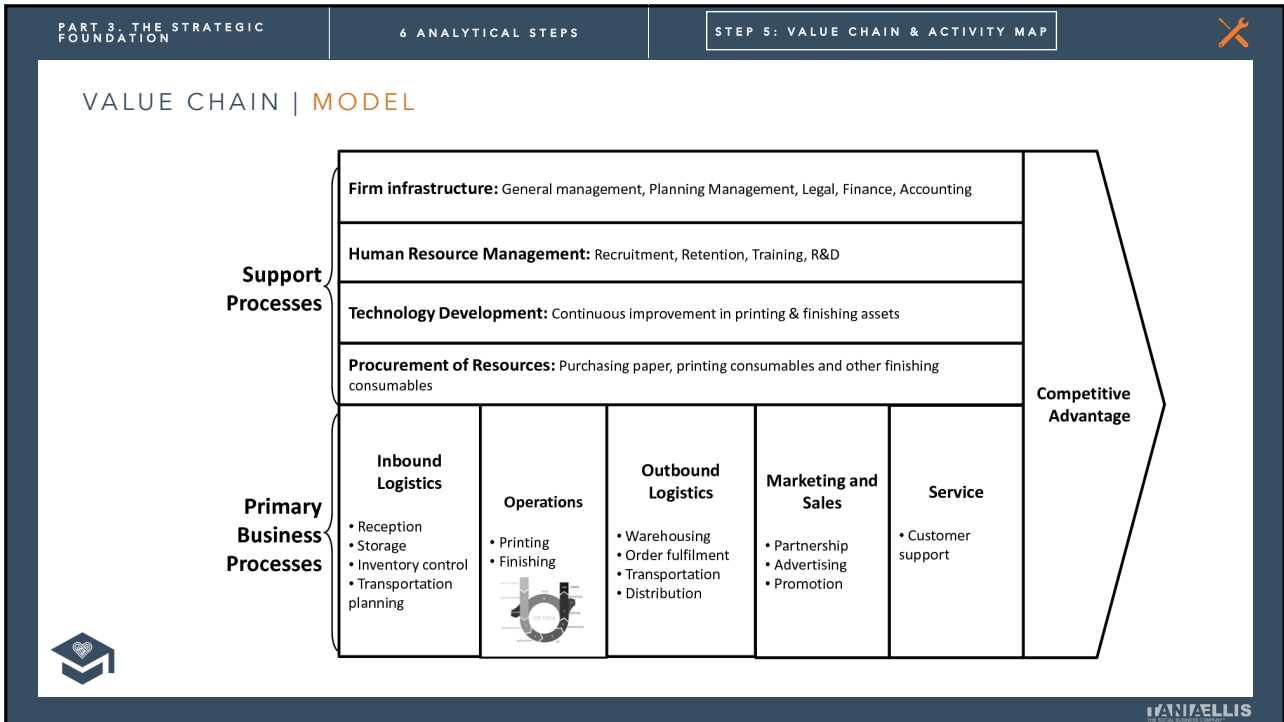
Mapping the value of current CSR activities will also help display gaps between current practices and ambitions for future value creation.

Purpose:

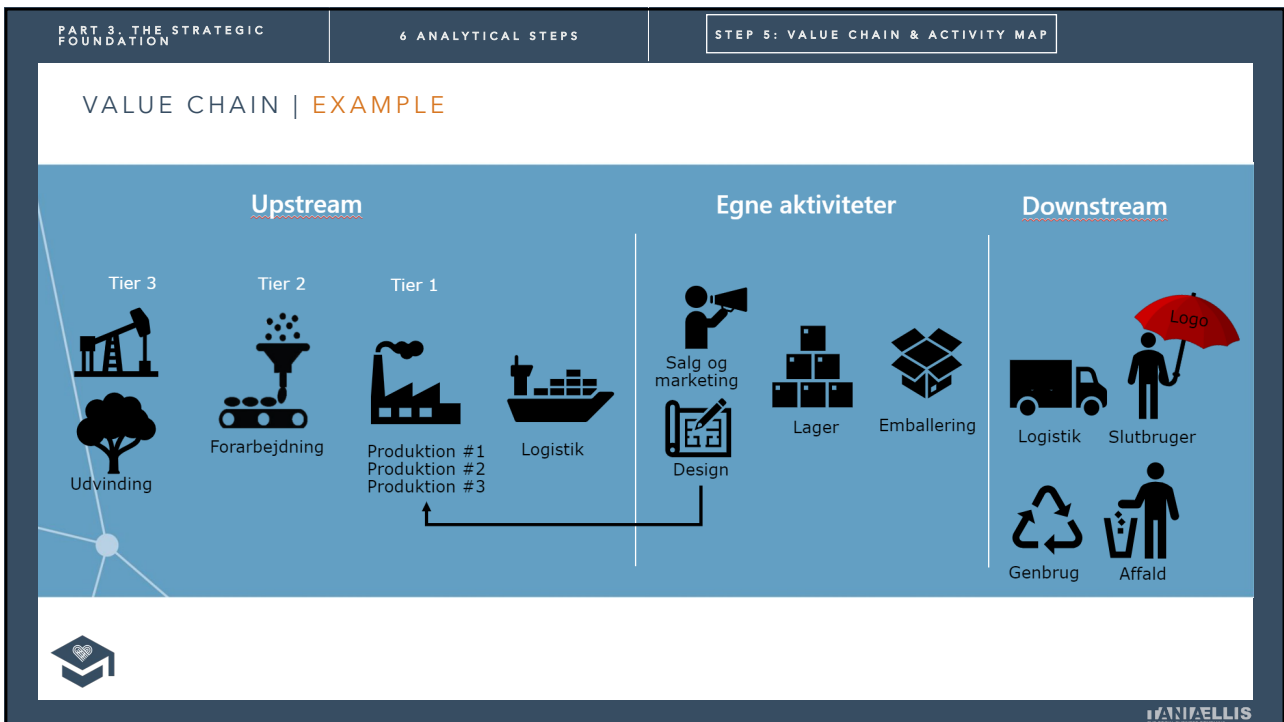
Map positive and negative value chain impacts as well as the value of current sustainability efforts in order to determine the right scope and focus for future practices.

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PART 3. THE STRATEGIC FOUNDATION


6 ANALYTICAL STEPS

STEP 5: VALUE CHAIN & ACTIVITY MAP

VALUE CHAIN | EXAMPLES

SERVICE VALUE CHAIN	CONSULTING VALUE CHAIN	STRATEGIC VALUE CHAIN	BUSINESS OPP. VALUE CHAIN
CSR VALUE CHAIN	SDG VALUE CHAIN	PARTNERSHIP VALUE CHAIN	STAKEHOLDER VALUE CHAIN

FIND MORE VALUE CHAIN EXAMPLES AT WWW.SBCM.DK



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PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 5: VALUE CHAIN & ACTIVITY MAP

VALUE CHAIN | CIRKULÆR ØKONOMI



Restaffald



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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 5: VALUE CHAIN & ACTIVITY MAP

VALUE CHAIN I EXAMPLE

Håndtering af de væsentligste risici i Coops værdikæde

COOPS VÆSENTLIGSTE RISICI	Primærproduktion	Forarbejdning & fremstilling	Transport	Butikker og lagre	Bygninger	Forbrugere
	Menneskerettigheder - Bøllearbejde - Tvangsarbejde - Arbejdslosgørelser Miljø og klima - Udledning af drivhusgasser - Klimaforandringer - Forurening - Forbrug af vand - Tab af biodiversitet	Menneskerettigheder - Bøllearbejde - Arbejdslosgørelser Miljø og klima - Udledning af drivhusgasser - Forurening - Forbrug af vand Korruption og bestikkelser - Svindel - Myndighedskorruption	Menneskerettigheder - Arbejdslosgørelser Miljø og klima - Udledning af drivhusgasser Korruption og bestikkelser - Svindel - Myndighedskorruption	Sociale forhold og medarbejderforhold - Arbejdslosgørelser - Diskrimination - Dødsfald Miljø og klima - Udledning af drivhusgasser - Højskibe	Menneskerettigheder - Arbejdslosgørelser Miljø og klima - Ressourceforbrug - Udledning af drivhusgasser - Højskibe - Plastproblematik	Menneskerettigheder - Fødevareresikkerhed og sundhed - Dataetik Miljø og klima - Udledning af drivhusgasser - Højskibe - Plastikproblematik
SÅDAN HÅNDRER COOP RISICI	Menneskerettigheder - Code of Conduct - Risikovurderinger - 3 parts certifikationer og audits - Coops Whistleblower-ordning Miljø og klima - Code of Conduct - Certificeringsordninger med fokus på miljø- og biodiversitet - SBTi-godkendt klimastrategi	Menneskerettigheder - Code of Conduct - Risikovurderinger - 3 parts certifikationer og audits - Coops Whistleblower-ordning Miljø og klima - Code of Conduct - Certificeringsordninger med fokus på miljø- og biodiversitet - SBTi-godkendt klimastrategi	Menneskerettigheder - Code of Conduct - Coops Whistleblower-ordning Miljø og klima - SBTi-godkendt klimastrategi - Mere klimavenlige transportformer Korruption og bestikkelser - Code of Conduct	Sociale forhold og medarbejderforhold - Arbejdslosgørelser og sikkerhedsprogram - Medarbejdertræning og uddannelse - Inklusion, mangfoldighed og fastholdelse - Politik for dødsfald - Coops Whistleblower-ordning Miljø og klima - SBTi-godkendt klimastrategi - Opsætning af solceller på butikker og lagre - Affaldshåndtering - Reduktion af madspild	Menneskerettigheder - Code of Conduct - Coops Whistleblower-ordning Miljø og klima - SBTi-godkendt klimastrategi - Opsætning af solceller på butikker og lagre - Affaldshåndtering - Reduktion af madspild	Menneskerettigheder - Krav til fødevareresikkerhed, kvalitet og sundhed - Omfattende kontrolprogram for BPA, pesticider og skadelig kemi - Politik for dataetik - Coops Whistleblower-ordning Miljø og klima - Engagement og inspiration til mere klimavenlig mad og mindre madspild - Politisk påvirkning af rammevilkår - Fremme af sunde og bæredygtige madoplevelser hos børn og unge gennem GoCook - Emballage- og plastikstrategi

Inhold | [Aret der gik](#) | Forretningsområder | Ansvarlighed | Ledelse | Påtegninger | Årsregnskab | Selskabsoplysninger | Årsrapport 2022 | Coop a.m.b.a. 22

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 5: VALUE CHAIN & ACTIVITY MAP

VALUE CHAIN TOOL I GUIDES

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DUE DILIGENCE PROCESSENS SEKS SKRIDT

- Forpligtelse og forankring af ansvarlig virksomhedsadfærd i politikker og ledelsessystemer
- Risikovurdering af egen praksis og leverandarkæder
- Håndtering af virksomhedens negative påvirkninger
- Løbende opfølgning på implementering og resultater
- Kommunikation om due diligence for bæredygtighed
- Klagemechanisme og genopretning stilles til rådighed

Virksomhedsguiden

Ansvarlighedstjekket

Tag pulsen på din virksomheds arbejde med ansvarlighed, og få indblik i, hvor langt du er, og hvor du kan forbedre dig.

- Politikker og forankring i virksomheden
- Risikovurdering
- Tag hånd om negative indvirkninger
- Løbende opfølgning
- Kommunikation
- Genopretning og klagemechanisme

Virksomhedsguiden

Bæredygtige Værdikæder

Erhvervshusene / Bæredygtigeværdikæder.dk

De6skridt

Vejen til ansvarlig virksomhedspraksis

Etisk Handel

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 5: VALUE CHAIN & ACTIVITY MAP

VALUE CHAIN TOOL | TOOL

DK

RISIKOKORTLÆGNING			PRIORITERING AF RISICI						
LEVERANDØR	BESKRIV RISIKO	RISIKO KATEGORI	KARAKTER Scale 1 - mindre alvorlig 5 - meget alvorlig	OMFANG Scope 1 - lille 5 - meget omfattende	GENOPRETNING OG TIDSHORISONT Remediability and time horizon 1 - let 5 - umulig	SAMLET VURDERING AF ALVORLIGHED Severity	SANDSYNLIGHED Likelihood 1 - meget lille sandsynlighed 5 - Meget høj sandsynlighed eller allerede aktuel	SAMLET VURDERING AF ALVORLIGHED OG SANDSYNLIGHED	VIKRSOMHEDENS ANSVAR
EKSEMPEL	forureningsrisiko forbundet med brug af kemikalier	Forurening	4	3	4	11	4	15	Direkte forbundet med (directly linked to)
						-			
						-			
						-			
						-			

Bæredygtige Værdikæder

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 5: VALUE CHAIN & ACTIVITY MAP

VALUE CHAIN | GUIDE

In action: Mapping the SDGs against the value chain

Company identifies as a priority to increase its positive impact on SDG 8 in its operations by providing a living wage to all employees at all sites globally.

Company identifies as a priority to increase its positive impact on SDG 13 for use of its products by developing and delivering products that allow customers to reduce their energy use and related GHG emissions.

INCREASING POSITIVE IMPACT

VALUE CHAIN

Raw materials → Suppliers → Inbound logistics → Company operations → Distribution → Product use → Product end life

MINIMIZING NEGATIVE IMPACT

Company identifies as a priority to reduce its negative impact on SDG 6 in its supply chain by working with suppliers to reduce its water consumption in water stressed regions.

Company identifies as a priority to decrease its negative impact on SDG 11 in its inbound and outbound logistics by improving road safety for its drivers.

Company identifies as a priority to reduce its negative impact on SDG 12 at its products end of life by improving the reusability and recyclability of its products.

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 5: VALUE CHAIN & ACTIVITY MAP

CSR / ESG ACTIVITY MAPPING

General

- 1 General principles
- 2 General, strategic, governance and materiality disclosure requirements

E Environment

- E1 Climate
- E2 Pollution
- E3 Water/Marine
- E4 Biodiversity and ecosystems
- E5 Resource use and Circular economy

S Social

- S1 Own workforce
- S2 Workers in the value chain
- S3 Affected communities
- S4 Consumers and End-users

G Governance

- G1 Business conduct

Human rights

- Labour rights
- Children's rights
- Democracy
- Women's rights
- Indigenous rights
- Gay rights
- Rights of the disabled
- DEI (Diversity, Equity, Inclusion)

Stakeholders

- Information
- Communication/dialogue
- Engagement/involvement
- Shared value partnerships
- Stakeholder forums

Employees

- Social inclusion
- Integration
- Diversity
- Health & well-being
- Safety/Work environment
- Happiness at work
- Work/life balance
- Personal sustainability

Products & Services

- CSR-innovation
- New products/services
- New production processes
- Labelling / certifications
- Product information
- Lend & Lease services
- Crowdsourcing

Vision | Mission | Values

- CSR/business strategies
- Business model innovation
- Corporate governance
- Policies & guidelines
- Business ethics
- Excellence / Awards

Customers

- Customer engagement
- Co-creation / prosumers
- Sustainable consumption
- Crowdsourcing
- BoP consumers
- Data protection
- Product information
- Cause-related marketing

Environment & Nature

- Circular economy
- Production processes
- Recycling / reuse
- Waste minimization
- Energy/water/materials
- Animal welfare
- Regenerative solutions
- Climate neutral/positive

Social/community

- Community development
- Corporate volunteering
- Base of Pyramid (BoP)
- Sponsorships / donations
- (Venture) philanthropy
- Impact investing
- Poverty
- Education

Suppliers

- Sustainable procurement
- Supply chain management
- Codes of conduct
- Anti-corruption
- Supply chain development
- Shared value partnerships

TANU ELLIS - The Social Business Company. Videreudvikling af figur fra Ethniversity videns Overblik Med Omsætning og Kampagneraktiviteter

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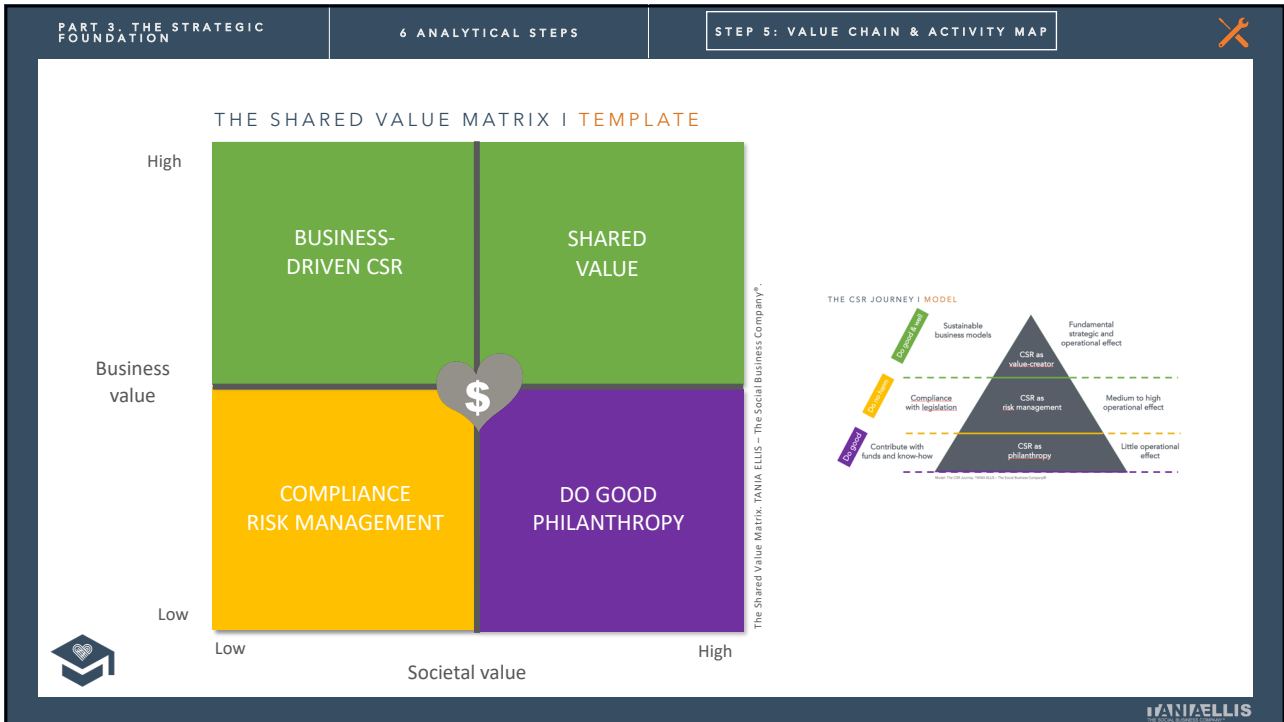
PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 5: VALUE CHAIN & ACTIVITY MAP

Bilag 6 Primære CSR aktiviteter

	Aktivitet	KPI	Gevinst	SDG gevinst
Interne aktiviteter	Nyt produktionsanlæg	Måle på mindsket spild (antal producerede kiks som klarer kvalitetskontrol). Måle på antal producerede og solgte produkter	Bedre anvendelse af råvarer Øget produktion Mindsket spild Bedre arbejdsforhold	8, 9, 12
	Genvind af varme fra produktionsanlæg	Måle på energiforbrug, sammenligne med forrige år	Lavere forbrug af gas	7
	Øget bevidsthed om internt forbrug, spare på energi, sorter affald, minimere spild Forbedre fysiske arbejdsforhold, kompetenceudvikling af medarbejdere	Måle på virksomhedens samlede forbrug og sammenligne med forrige år Måle på medarbejdertilfredshed, antal sygedage, medarbejder fastholdelse	Lavere udgifter til el Mere tilfredse medarbejdere, færre sygedage, øget produktion	7, 3
Leverandør-kæde aktiviteter	Gennemgå værdikæde – transport, lager, logistik. Omlæg til mere bæredygtige løsninger hvor det er muligt.	Udarbejd baseline for nuværende værdikæde sæt mål ud fra baseline, bl.a. på antal transportere til og fra gen	Forbedret og transparent værdikæde, Mindre udgifter til transport, øget indtjening	12
Partnerskaber	Nyt samarbejde med Bornholms Andelsmejeri ift. leverance af fedtstof til kikkseproduktion	Måle på sparet transport	Udvikling af nye produkter på mejeriet. Mindre behov for transport af produkt, som tidligere blev lev. fra Thisted Brandingværdi i det lokale samarbejde Styrke den lokale økonomi	9, 11, 13
	Nyt samarbejde med lokal landmand ift. leverance af kommen til kikkseproduktion	Måle på sparet transport	Udvikling af nye produkter på mejeriet. Mindre behov for transport af produkt, som tidligere blev lev. fra Finland Brandingværdi i det lokale samarbejde Styrke den lokale økonomi	9, 11, 13
	Nyt samarbejde med KLS Pureprint om cradle to cradle emballage	Måle på mængde af emballage som ikke blot er genanvendt men cradle-to- cradle	Forud for kommende lovgivning om producentansvar på emballage. Lavere afgift på håndtering af emballage når varen er konsumeret, når afgift indføres	13

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	Business Unit 1	Business Unit 2	Business Unit 3	Business Unit 4	Business Unit 5	Business Unit 6	Business Unit 7
SDG 1					Raising money to families in need		
SDG 2		Reduce food waste					
SDG 3						Donations youth sports clubs	Limited training
SDG 4			Students & schools				
SDG 5			Gender equality	Diversity breakfast, diversity in events & investment	Gender diversity		
SDG 6				Sponsor xxxx jam			
SDG 7	Energy optimization (sites) Facility management						
SDG 8	Recruitment guidelines	Compensation, recruitment employee health				HR initiatives	
SDG 9							
SDG 10							
SDG 11							
SDG 12	Reduce lifecycle footprint	Reduce and recycle waste (canteen), buy organic materials (shop), waste management	From physical to digital Code of conducts for externals Recycling	Christmas gifts Vegetarian food (events) Green procurement (office)	Svanemarket and FSC certified boxes and paper, sending redeemed gift cards digitally	Reducing material use, hazardous materials, recyclable materials, Code of Conducts, Sustainable transport and communication	Rights and responsibilities, more recycling
SDG 13				Bornholm Climate Days, climate group (incl. "Green Play Book", life cycle analysis tool), Recycling waste (NF)			
SDG 14	Water optimization (sites) Facility management	No bottled water (canteen)				Recyclable plastic materials, carton based packaging	
SDG 15		Animal welfare standards (meat in canteens)					
SDG 16			Data security			Data protection	
SDG 17			Partnerships with companies		Raising money for NGOs through gift cards		Project "Sustainable Production"

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KEY REFLECTIONS


REFLECTIONS ON THE VALUE CHAIN & ACTIVITY MAP 

-  What is the negative impact of your current business activities?
-  What is the positive impact of your current business activities?
-  What activities are you already doing - where are your largest gaps?
-  What kind of business value is gained from current CSR-efforts?
-  What kind of societal value is gained from current CSR-efforts?

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EXERCISES



REFLEKSION 

1. Hvilken form for **forretningsværdi** skaber/kan virksomhedens nuværende CSR-aktiviteter skabe?
2. Hvilken form for **samfundsværdi** skaber/kan virksomhedens nuværende CSR-aktiviteter skabe?
3. **Hvad (mere)** kunne virksomheden gøre for at skabe 'shared value'?

The Shared Value Matrix

High	BUSINESS-DRIVEN CSR	SHARED VALUE
Low	COMPLIANCE RISK MANAGEMENT	DO GOOD PHILANTHROPY
	Low	High
	Societal value	

The Shared Value Matrix is a trademark of the MIT Center for Shared Value.

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PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 2: STAKEHOLDERS

FOROPGAVE TIL MODUL 1

"Lav en rå bruttoliste over alle de CSR-relaterede aktiviteter i din casevirksomhed"

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PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

STEP 6: RISKS & OPPORTUNITIES

6 ANALYTICAL STEPS

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 6: RISKS & OPPORTUNITIES

HOW RISKS & OPPORTUNITIES


There are many ways a company can link its business and sustainability efforts.

By assessing the company's biggest risks as well as opportunities, it becomes easier to prioritize and realize the biggest impact and business improvement potentials.

Purpose:
 Conduct a risk and opportunity assessment on the basis of your selection of analyses, so that you can make a final prioritization of your sustainable business efforts.






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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 6: RISKS & OPPORTUNITIES 

RISK ANALYSIS | TEMPLATE

Risk	Consequence for project (1-5)	Probability (1-10)	Risk figures (K x S)	Proactive Action plan "Plan A" / Prevention / Opportunity"	Reactive Action plan "Plan B" / Reaction / Risk management

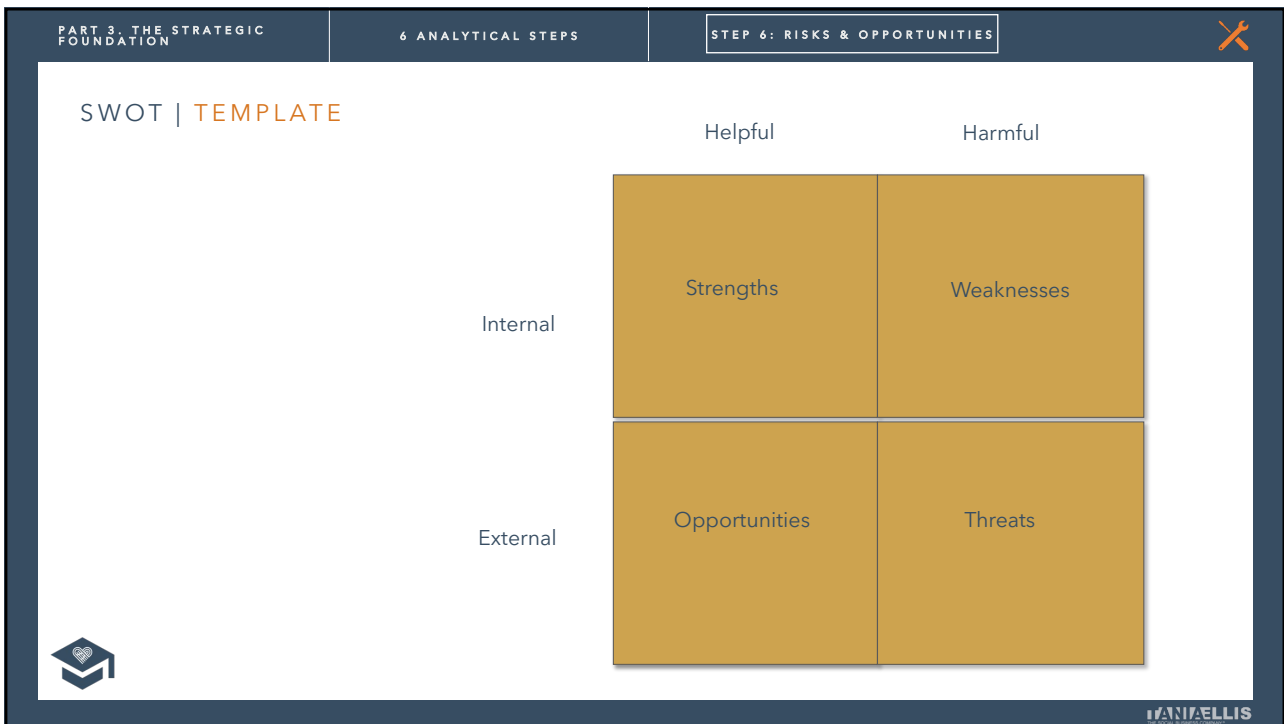
Inspiration: Thorborg, Steen, Forandringsledelse – en grundbog.

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PART 3. THE STRATEGIC FOUNDATION		6 ANALYTICAL STEPS		STEP 6: RISKS & OPPORTUNITIES		
RISK ANALYSIS EXAMPLE						
Risk	Consequence for project (1-5)	Probability (1-10)	Risk figures (K x S)	Reactive Action plan "Plan B" / Reaction / Risk management	Proactive Action plan "Plan A" / Prevention / Opportunity"	
EXTERNAL	Competitors deliver same service: DFR SRM Education (e-learning etc.)	5 5	4 8 20 20	?	DFR sold as package / recycling membership. SRM through incentive agreements	
	No buy-in from customers	5	5	25	Concepts with shared value	Carry out value-based customer segmentation (not only tons/€) but also based on needs and maturity
	Regulations (directives for packaging, plastic etc.)	1	10	10	Take inquiries from customers when they arrive	Incorporate the upcoming legislation in different workshops and advice to customers already before entry into force
INTERNAL	Media (positive coverage / shitstorm)	1/5	5	5/25	Crisis management company (media)	Media management included as part of the external communications plan (SoMe etc.)
	New Head of Sales could change the course and delay the project	4	8	32	To be taken ad hoc	Align expectations (incl. direction and timeplan)
	Gap between BF initiative (shared value) and the normal operation (compliance)	5 (risk for entire understanding of CSR efforts)	8	40	??	To be addressed in Sustainability Forum in relation to the overall CSR efforts: clarify focus areas, employee engagement (internal analysis)
	Not well integrated in the organisation: Top management Inbound (sales) Other	4 4 2	2 8 5	8 40 10	To be taken ad hoc, with top management On going information and engagement	1-2 sales employees join the reference group of the project group. Sales material needs to be understandable, so that seller takes ownership. These various stakeholders need to be included in the internal communications plan.
	Complet dependence of consulting function in Sweden (Design for recycling)	5	8	40	Follow up meetings List of activities w. prioritization and timeplan	The amount of DFR activities justifies a position in Denmark, or partnership with external consultants.
Inspiration: Thorborg, Steen, Forandringsledelse – en grundbog.						

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PART 3. THE STRATEGIC FOUNDATION

6 ANALYTICAL STEPS

6 ANALYTICAL STEPS

1 Scoping & planning

2 Stakeholders External & internal

3 Trends & materialities

4 Competitors & customers

5 Value chain & activity map

6 Risks & Opportunities



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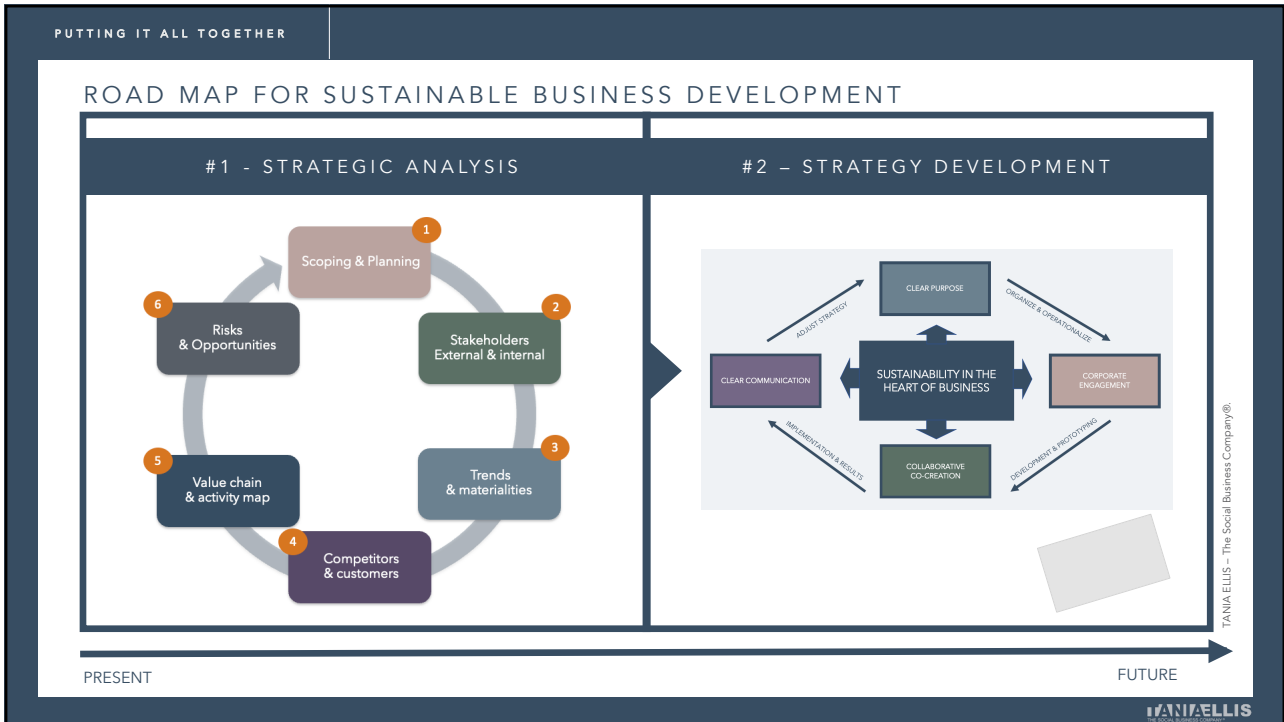
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6 ANALYTICAL STEPS

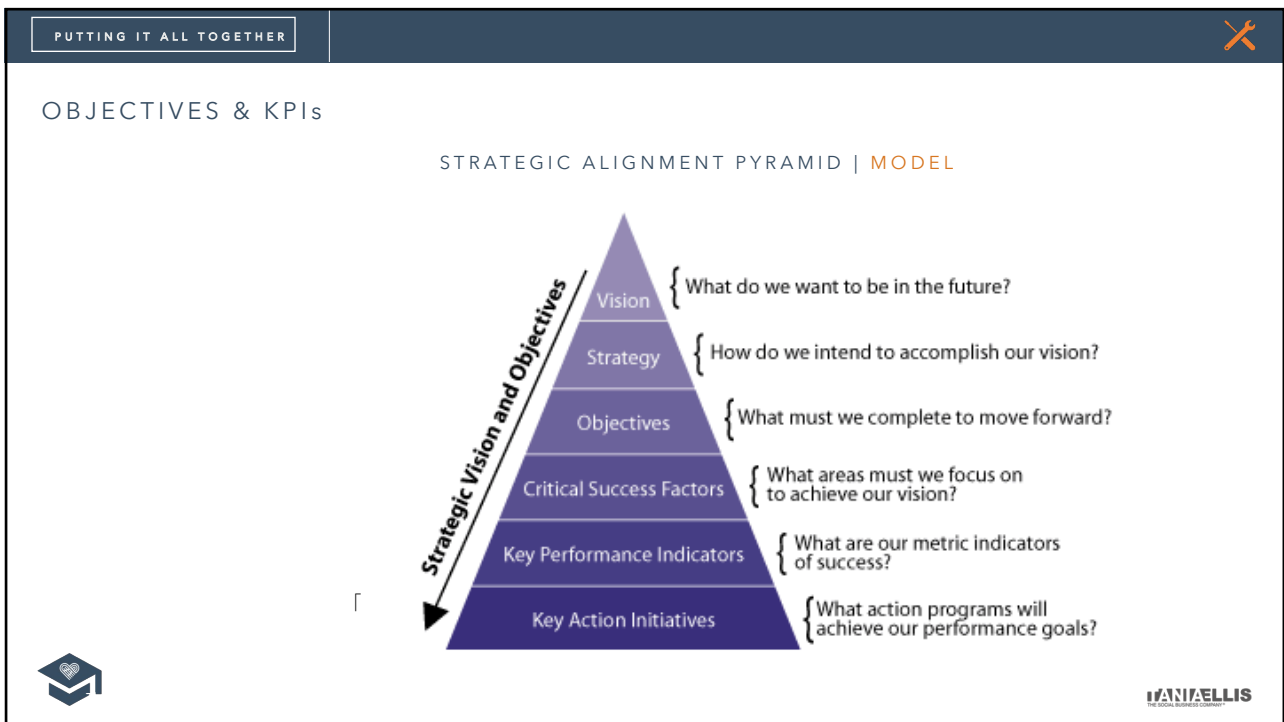
Too much analysis may lead to paralysis!



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PUTTING IT ALL TOGETHER

CSR STRATEGY HOUSE EXAMPLES & TEMPLATES

The slide displays six different CSR Strategy House templates. Each template is a house-shaped diagram with a mission statement at the top, strategic pillars in the middle, and specific initiatives or KPIs at the base. The examples include:

- ECEMPEL (top left):** A detailed strategy house with a mission statement and several strategic pillars.
- ECEMPEL (top middle):** A strategy house with a red roof and a focus on 'Strategy development'.
- SKABELON (top right):** A simple strategy house with a white roof and three main pillars.
- EXAMPLE (middle left):** A strategy house with a grey roof and a focus on 'Strategic pillars'.
- RESPONSIBLE BUSINESS & SHARED VALUE EXAMPLE (middle middle):** A circular strategy house with a central focus on 'Responsible Business'.
- SKABELON (middle right):** A strategy house with a white roof and a focus on 'Strategic pillars'.

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PUTTING IT ALL TOGETHER

OBJECTIVES & KPIs

AMBITION LEVEL, CSF AND KPI | TEMPLATE

What is our level of ambition?	→	Critical success factors - what do we need to achieve in order to reach our level of ambition?	→	KPI - how should we measure our progress?
Our company must be perceived as a good place to work	→	Our employees are happy to work with us	→	An average score of over 8 in the annual employee satisfaction survey - on question if they would recommend us to others
Our level of security must be high	→	All our employees are aware of the risks of occupational accidents	→	Registrate accidents and consider how do reduce risks at monthly meetings

Translated model from: Drejebog CSR i SMVer: Fra Princip til Praksis, Danish Business Authorities (Erhvervsstyrelsen) 2014

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PUTTING IT ALL TOGETHER

ACTION PLAN

CSR ACTION PLAN | TEMPLATE

CSR-focus-areas	Ambition level	KSFs	KPIs	Deadline	Activities to support KPI	Responsible for KPI
Environment	Structured approach to our resource consumption	We must be resource-conscious and show environmental considerations in our store and in our offices, thereby reducing our impact on the environment.	1. 10% reduction in energy consumption before 2022 based on a survey of current energy consumption in 2020 2. 10% reduction of packaging / paper consumption before 2022 based on a mapping of the current packaging / paper consumption in 2020	2022	Examine how much paper we use and find a solution to reduce consumption	Ole
Employees	The industry's best workplace	We must attract and retain the industry's best employees and give them a workplace that is 'second to none'	1. Maximum 10% employee turnover 2. Employee well-being survey <80 in the annual survey	2023	Establish baseline	Kristina
...						

Model kilde: Drejebog CSR i SMVer; Fra Princip til Praksis, Erhvervsstyrelsen 2014






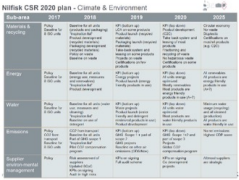

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PUTTING IT ALL TOGETHER

NILFISK | REAL-LIFE CASE

Nilfisk CSR 2020 plan

CSR area	2017	2018	2019	2020	Future
CSR management	Baseline and securing compliance Establish policies Governance structure	Data gathering system Review SRR & BCGC Implement policies and trainings	More focus on stakeholder involvement Training + 1 FTE	Update strategy Quarterly data reporting Talent organization Integrated reports	Global industry leader due to CSR approach
Society	Policy on human rights and Social Impact Hire new auditor in China	System for supplier mgmt Risk assessment Establish SCOC Expand audit plan Baseline on local philanthropy	Global philanthropy strategy Global project with NGO Expand audits to other high-risk countries Training of suppliers	Policy and baseline on tax payments Policy and baseline on political contributions Training	
Climate & Environment	Environment & climate policy Baseline for B ISO 14001 units	Baseline for all units (products and packaging) "Inspiration list" Product development Packaging development (recycled materials) Policy on waste Pilot CO2 program	KPI (bottom up) LCA on some products Product launch (recycled materials) Take-back system and leasing of most products All units energy optimized No hazardous waste Global CO2 program Projects on waste	KPI (top-down) Product development (C2C) Take-back system and leasing of most products All units energy optimized No hazardous waste Global CO2 program System training Expand audit plan BSCG half plan	Full compliance on tax reporting Global leader on responsible business Change of law on baseline on political contributions Full AC implemented the sector All human rights implemented Full compliance on political contributions
Customers	Customer privacy (group Legal) Local take-back system and leasing on some products	Baseline Product development LCC on some products Start expand program on take-back and leasing	Launch of Nilfisk Academy for customers and end users Internal training Take-back system and leasing on some products globally	Training programs globally Take-back system and leasing of most products External training	Industry TCO leader The best working place in the production industry Industry leader in employee branding No work accidents
Employees	Diversity policy, KPI Policy on labor rights	Diversity program EHS policy and expansion Compliance development program (HR)	Training globally in BCGC (HR) Baseline on employee handbooks	Program on discrimination	



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PUTTING IT ALL TOGETHER

NILFISK | REAL-LIFE CASE

MODULE 1 | PUTTING IT ALL TOGETHER | REAL-LIFE CASE



ANN-KATRINE S. FRIIS, HEAD OF CSR
Nilfisk

HOW TO BUILD A CSR STRATEGY



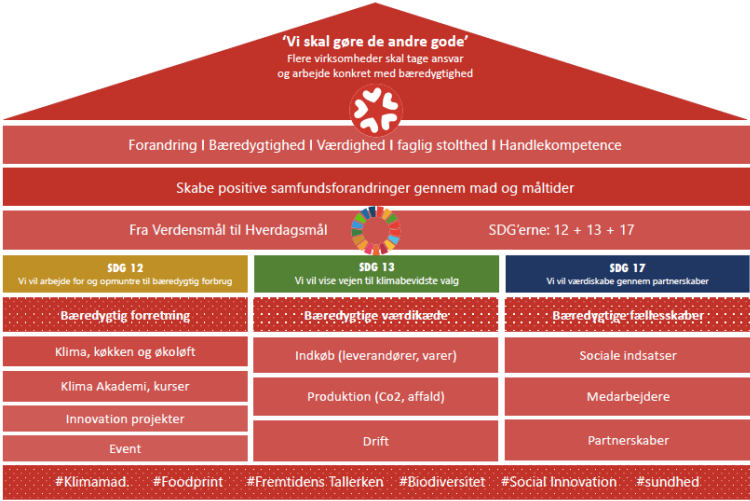

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 1: SCOPING & PLANNING

CONSIDER RELEVANT FRAMEWORKS & SYSTEMS

Strategy development
- linking business til CSR

'Vi skal gøre de andre gode'
Flere virksomheder skal tage ansvar og arbejde konkret med bæredygtighed



Vision

Værdier


(CSR) mission

SDG'er

Tema/Spør

Strategiske Fokus områder

Forandring I Bæredygtighed I Værdighed I faglig stolthed I Handlekompetence		
Skabe positive samfundsforandringer gennem mad og måltider		
Fra Verdensmål til Hverdagsmål		
SDG 12 Vi vil arbejde for og opmuntre til bæredygtig forbrug	SDG 13 Vi vil vise vejen til klimabevidste valg	SDG 17 Vi vil værdiskabe gennem partnerskaber
Bæredygtig forretning	Bæredygtige værdikæde	Bæredygtige fællesskaber
Klima, køkken og økoleft	Indkøb (leverandører, varer)	Sociale indsatser
Klima Akademi, kurser	Produktion (Co2, affald)	Medarbejdere
Innovation projekter	Drift	Partnerskaber
#Klimamad #Foodprint #Fremtidens Tallerken #Biodiversitet #Social Innovation #sundhed		



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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 1: SCOPING & PLANNING

STRATEGY - EXAMPLE

CARLSBERG GROUP ESG REPORT 2023 INTRODUCTION

TOGETHER TOWARDS ZERO & BEYOND

ZERO
Carbon Footprint

ZERO
Farming Footprint

ZERO
Packaging Waste

ZERO
Water Waste

ZERO
Irresponsible Drinking

ZERO
Accidents Culture

Responsible Sourcing

Diversity, Equity & Inclusion

Human Rights

Living By Our Compass

Community Engagement

Our purpose is brewing for a better today and tomorrow.

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 1: SCOPING & PLANNING

STRATEGY - EXAMPLE

ESG focus areas	Targets
<p>ZERO Carbon Footprint</p>	<p>2040</p> <p>2030</p> <ul style="list-style-type: none"> › Net ZERO value chain › ZERO carbon emissions at our breweries › 30% reduction in value chain carbon emissions › All renewable electricity must come from new assets (e.g. via power purchase agreements)
<p>ZERO Farming Footprint</p>	<p>2040</p> <p>2030</p> <ul style="list-style-type: none"> › 100% of our raw materials are from regenerative agricultural practices and are sustainably sourced › 30% of our raw materials are from regenerative agricultural practices and are sustainably sourced
<p>ZERO Packaging Waste</p>	<p>2030</p> <ul style="list-style-type: none"> › 100% recyclable, reusable or renewable packaging › 90% collection and recycling rate for bottles and cans › 50% reduction in virgin fossil-based plastic › 50% recycled content in bottles and cans
<p>ZERO Water Waste</p>	<p>2030</p> <ul style="list-style-type: none"> › Water usage efficiency of 2.0 hl/hl globally and 1.7 hl/hl at breweries in high-risk areas › 100% replenishment of water consumption at breweries in high-risk areas
<p>ZERO Irresponsible Drinking</p>	<p>2030</p> <ul style="list-style-type: none"> › 100% responsible drinking messaging through packaging and brand activations › 100% of our markets run partnerships to support responsible consumption › 100% availability of alcohol-free brews › 35% of our brews globally are low-alcohol or alcohol-free
<p>ZERO Accidents Culture</p>	<p>2030</p> <ul style="list-style-type: none"> › ZERO lost-time accidents
<ul style="list-style-type: none"> ⊗ Diversity, Equity & Inclusion ⊗ Living By Our Compass ⊗ Human Rights ⊗ Responsible Sourcing ⊗ Community Engagement 	<p>In these areas, we focus on the continuous enhancement and implementation of policies, partnerships and other initiatives that address the additional ESG topics having material impacts on our employees and operations, as well as on our value chain and wider society.</p> <p>While we have an established ambition and ongoing actions to promote Diversity, Equity and Inclusion (DE&I), in 2022 we introduced additional DE&I targets that are quantitative and shorter-term: 30% women in senior leadership positions by 2024, ramping up to 35% by 2027 and a minimum of 40% over time.</p> <p>We continuously strive to Live By Our Compass and maintain a high-integrity culture through a robust compliance programme, and we have long-standing ambitions to source responsibly, respect human rights along the value chain, and engage communities responsibly.</p>

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 1: SCOPING & PLANNING

STRATEGY - EXAMPLE

ZERO Carbon Footprint

We aim to eliminate carbon emissions from our breweries by 2030 and reach net ZERO for our entire value chain by 2040.

Our latest analysis shows we achieved a 10% reduction in value chain emissions per hectolitre of beer between 2015 and 2022, putting us on track to meet our 30% relative reduction target by 2030.

Carlsberg was among the first three companies in the world to have a near-term 1.5°C target for 2030 approved by the Science Based Targets initiative (SBTi). As the standards have since evolved, in 2024 we will review our carbon targets in line with the updated SBTi guidance.

Together with other Danish businesses, we underlined our ambitions and called on governments to help accelerate the green business transformation in the lead-up to the COP28 climate conference, and committed to stepping up momentum to achieve the UN Sustainable Development Goals (see our joint statement here).

We have cut total brewery emissions by a further 6% this year – and by 57% since 2015 – on our road to ZERO. Relative emissions per hectolitre of beer have decreased by 59% from 2015 as we continue to improve brewery efficiency and we are investing in new assets that add renewable capacity to the grid.

We are also working closely with suppliers and other partners to find ways to reduce our emissions beyond our breweries – from growing our ingredients to packaging, transporting, distributing and chilling our beer.

Carlsberg Group ESG Report 2023 | ZERO CARBON FOOTPRINT | 9

-16% value chain carbon emissions per hl of beer from 2015 to 2022, exceeding our 2022 target of -15% – based on in-depth analysis completed this year

-59% emissions per hl of beer produced since 2015, and -7% since 2022, on our way to ZERO in 2030

Worked with partners to drive further carbon reductions in our value chain – from agriculture and packaging to logistics and cooling

New power purchase agreement for new on- and off-site solar assets, backed by battery storage, in Lithuania

-96% carbon emissions at our brewery in Leos will be achieved through a new biomass boiler by the end of 2024

Began using heat from the sun in a one-year pilot of solar collectors to generate thermal energy at our brewery in Greece

By 2040:
 > Net ZERO value chain

By 2030:
 > ZERO carbon emissions at our breweries
 > 30% reduction in value chain carbon emissions
 > All renewable electricity must come from new assets (e.g., via power purchase agreements)

3.9.1 | 7.2.1, 7.3.1 & 7.b.1 | 12.2.1, 12.2.2, 12.6.1 & 12.a.1 | 13.1.1 | 17.1.2.1

See SDG index, page 97.

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PART 3. THE STRATEGIC FOUNDATION | 6 ANALYTICAL STEPS | STEP 1: SCOPING & PLANNING


STRATEGY ADDRESSING OUR MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

How our Together Towards ZERO and Beyond (TTZAB) programme links to the European Sustainability Reporting Standards (ESRS) framework and helps us to address material topical standards*


Impact Material Topical Standards	TTZAB Focus Areas	Financially Material Topical Standards
E1 Climate change	ZERO Carbon Footprint	E1 Climate change
E2 Pollution	ZERO Farming Footprint	
E3 Water & marine resources	ZERO Packaging Waste	
E4 Biodiversity & ecosystems	ZERO Water Waste	
E5 Resource use & circular economy	ZERO Irresponsible Drinking	E5 Resource use & circular economy
S1 Own workforce	ZERO Accidents Culture	
S2 Workers in the value chain	Diversity, Equity & Inclusion	
S3 Affected communities	Living By Our Compass	
S4 Consumers & end-users	Human Rights	S4 Consumers & end-users
G1 Business conduct	Responsible Sourcing	
	Community Engagement	

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KEY LEARNINGS



WHAT YOU HAVE LEARNT... 

WHAT

-  Overview of key analytical methodologies and frameworks

HOW

-  Examples of how to use tools and templates
-  Documentation & data for cohesive, value-adding approach
-  Select, prioritize and justify strategic choices
-  Roadmap for putting it all together (analyses + strategy dev.)





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MODULE 1
INTRO

STRATEGY | CLEAR PURPOSE

<p style="text-align: center;">PART 1 WHY-WHAT</p> <p style="text-align: center;">THE SUSTAINABLE BUSINESS MINDSET</p> <p style="text-align: center;">Global megatrends Sustainable market drivers Key phases & concepts</p>	<p style="text-align: center;">PART 2 HOW</p> <p style="text-align: center;">SUSTAINABLE BUSINESS DEVELOPMENT</p> <p style="text-align: center;">ESG & legal compliance Linking CSR & business The business case</p>	<p style="text-align: center;">PART 3 HOW</p> <p style="text-align: center;">THE STRATEGIC FOUNDATION</p> <p style="text-align: center;">The analytical toolbox: 6 analytical steps Real-life case: Nilfisk</p>
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THE SBCM PROGRAMME

MODULE OVERVIEW

MODULE 1 OVERVIEW

DRIVERS & DEFINITIONS (CLEAR PURPOSE)		
GLOBAL MEGATRENDS		<ul style="list-style-type: none"> outerglobalization digitalization sustainability megaforces
MARKET DRIVERS		<ul style="list-style-type: none"> regulation impact investing value chains
DEFINITIONS		<ul style="list-style-type: none"> sustainable business csr shared value
PHASES		<ul style="list-style-type: none"> philanthropy compliance sustainable business

MODULE 2 OVERVIEW

STRATEGY DEVELOPMENT (CLEAR PURPOSE)		
COMPLIANCE (RISK MANAGEMENT)		<ul style="list-style-type: none"> voluntary commitments legal obligations due diligence
SUSTAINABLE BUSINESS (LINKING CSR & BUSINESS)		<ul style="list-style-type: none"> outside-in inside-out integrated
THE BUSINESS CASE		<ul style="list-style-type: none"> motivation/drivers problem/need solution
FACTS AND DATA FOR YOUR STRATEGIC PLANNING (IDENTIFY BASELINES, BUILD BUSINESS CASE ARGUMENTATION, DEVELOP ACS ACTION PLAN)		
STRATEGIC FOUNDATION (6 ANALYTICAL STEPS)		
1. SCOPING & PLANNING	<ul style="list-style-type: none"> stakeholder management environmental social governance business benchmark 	<ul style="list-style-type: none"> competitor benchmark customer supplier stakeholder requirements
2. MEGAFORCES & MATERIALITIES	<ul style="list-style-type: none"> research market trends PESTLE scenarios materiality business process 	<ul style="list-style-type: none"> business cases CS&SD stakeholders requirements value chains
3. STAKEHOLDERS	<ul style="list-style-type: none"> reporting stakeholders requirements value chains 	<ul style="list-style-type: none"> risks opportunities engagement SDG
4. MARKET & COMPETITORS		
5. INTERNAL ANALYSIS		
6. RISKS & OPPORTUNITIES		

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THE SOCIAL BUSINESS ACADEMY

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