

Introductory Webinar: How to develop a Sustainability Strategy

Welcome and thank you for joining. The webinar will start shortly.



This webinar is the first part of the UN Global Compact Network Switzerland & Liechtenstein Sustainability Strategy & Disclosure Training Series, offered by the Local Network to its participants that will take place between September and November 2022.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



Global Compact
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Switzerland & Liechtenstein

Introductory Webinar

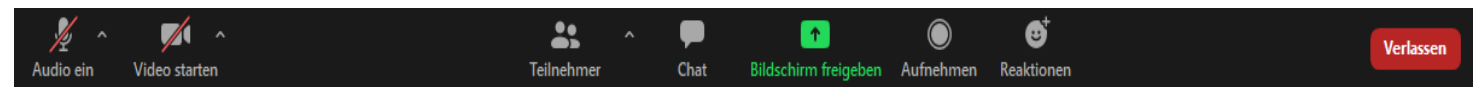
How to develop a sustainability strategy

6.9.2022, 14.00 - 14.45, online

Webinar: Housekeeping

- This session is being recorded.
- Slides and recording will be made available by UN Global Compact Network Switzerland & Liechtenstein after the webinar.
- Language: English with the possibility to ask questions in French and German.

Activate the video before you make an intervention.



Make sure you are muted during the webinar. Unmute yourself if you wish to say something.

Use the chat function to type in your questions or make a comment.

The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system. By incorporating the Ten Principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

Companies operate responsibly



HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.



LABOUR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Companies contribute to progress

SUSTAINABLE DEVELOPMENT GOALS



Let's make Global Goals Local Business



Global Compact
Network
Switzerland & Liechtenstein

UN Global Compact Network Switzerland & Liechtenstein Sustainability Strategy & Disclosure Training Series

	Webinar: How to develop a sustainability strategy	Training: Development of a sustainability strategy	Webinar: Enhanced CoP - requirements and useful tips for preparation and submission	Webinar: Introduction to reporting requirements in Switzerland and the EU
Date & Time	6 September 2022 14:00 – 14:45	20 September 2022 13:00 – 17:30	3 October 2022 14:00 – 15:30	8 November 2022 10:00 – 11:00
Content	<ul style="list-style-type: none"> • Expectations and requirements regarding sustainability strategies • Introducing 5-step approach towards a sustainability strategy • Best-practices examples 	<ul style="list-style-type: none"> • Developing an individual roadmap for the development of a sustainability strategy by following the 5-step approach • Embedding the strategy within the UNGC / CoP reporting 	<ul style="list-style-type: none"> • Overview of the enhanced CoP • Insights into the five sections of the CoP, incl. explanation of terms, guidance on preparation 	<ul style="list-style-type: none"> • Reporting requirements in Switzerland • Reporting requirements in the EU • Approach for integrating the requirements into reporting process

Contents

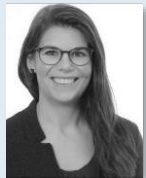
1. Starting Point
2. Step by step: Strategy development for beginners
3. Questions & Answers
4. What's coming next?

Today's input:



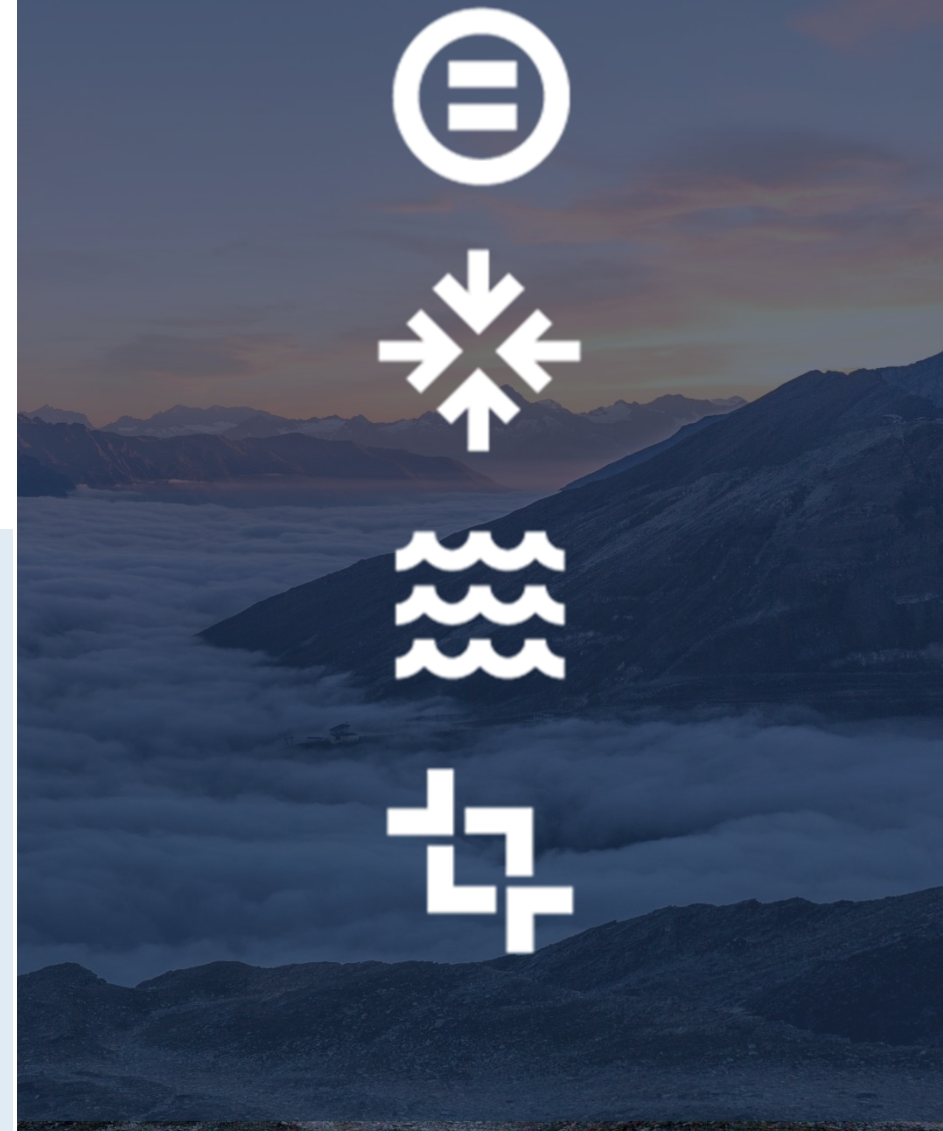
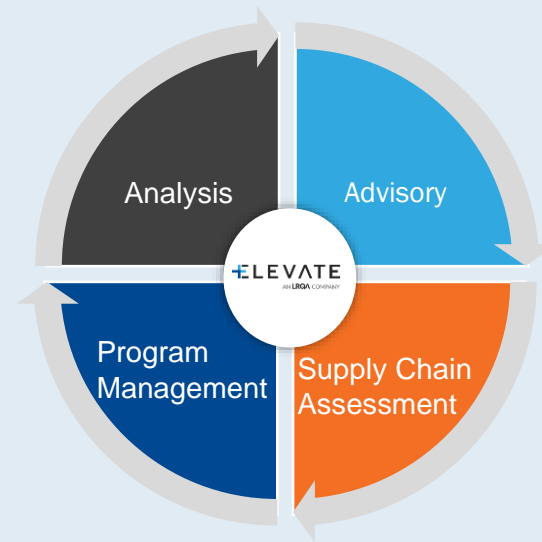
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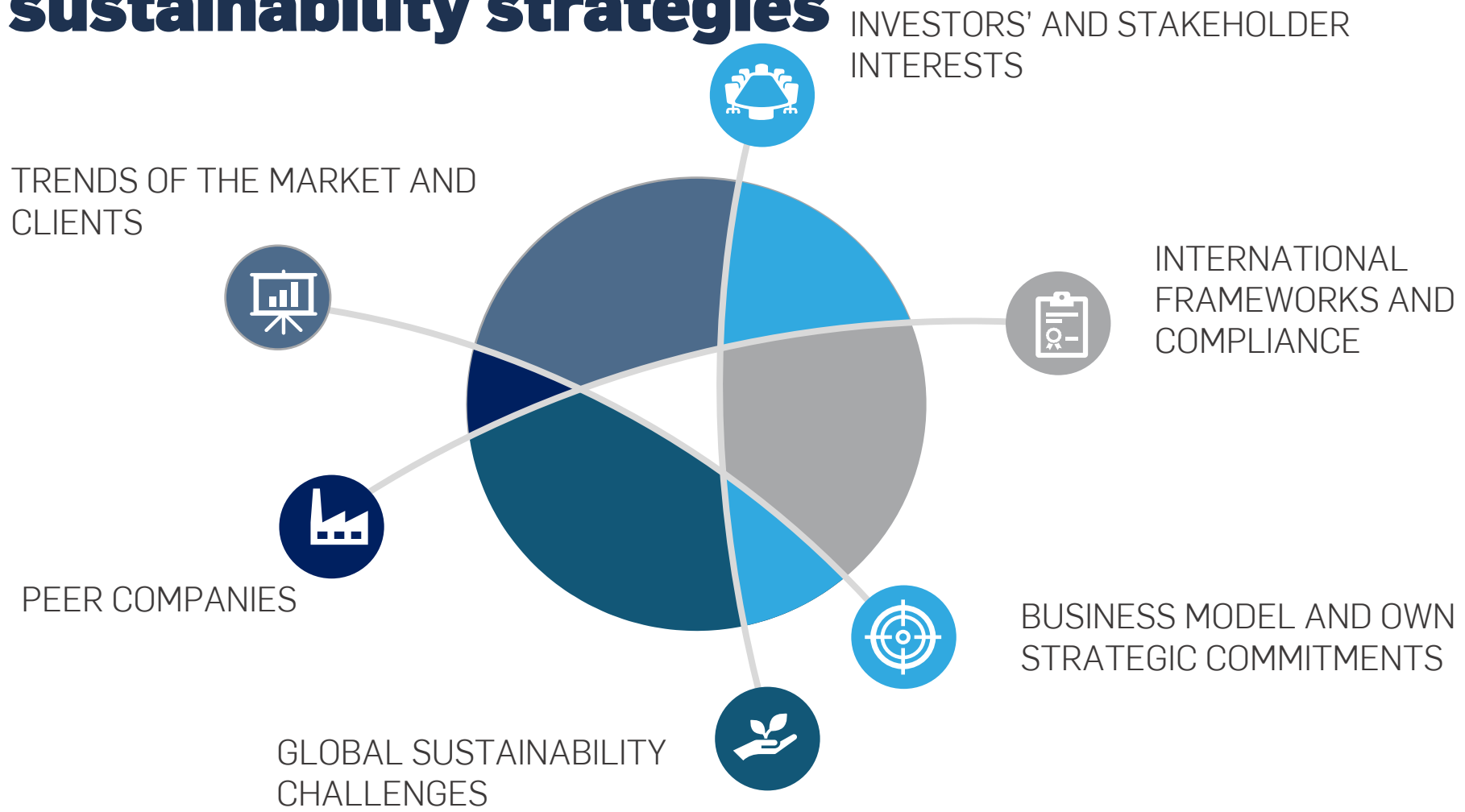
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1. Starting point



Six forces influence the development and shape of sustainability strategies



Sustainability within the global context

Global Ambitions



WE SUPPORT



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Reporting



Regulatory Requirements



Target setting



Sector initiatives



Ratings



Sustainability index



FTSE4Good



Dow Jones Sustainability Indexes



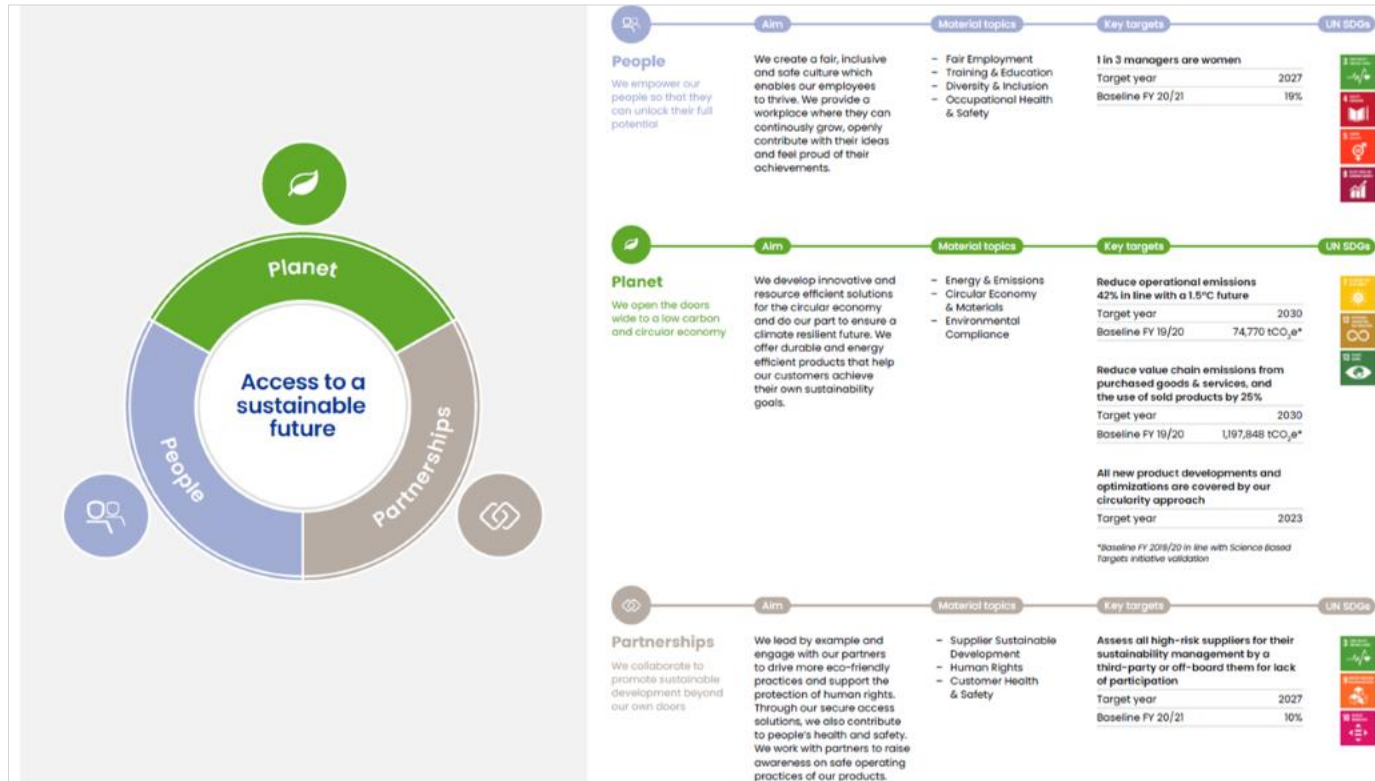
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Sustainability Strategy

Best Practice Example: dormakaba



A good sustainability strategy includes

- a **strategic framework** incl. focus areas (material topics)
- clearly defined **ambition levels** and reference to international frameworks (e.g. SDGs)
- tailor-made **impactful targets** with assigned **indicators and KPIs** to measure the performance
- **actions and measures** to reach the defined targets in a set time horizon
- **roadmap to implement and anchor** the strategy

Source: [dormakaba Sustainability Strategy](#)



Aim

People

We empower our people so that they can unlock their full potential

We create a fair, inclusive and safe culture which enables our employees to thrive. We provide a workplace where they can continuously grow, openly contribute with their ideas and feel proud of their achievements.

Material topics

- Fair Employment
- Training & Education
- Diversity & Inclusion
- Occupational Health & Safety

Key targets

1 in 3 managers are women

Target year	2027
Baseline FY 20/21	19%

UN SDGs



Aim

Planet

We open the doors wide to a low carbon and circular economy

We develop innovative and resource efficient solutions for the circular economy and do our part to ensure a climate resilient future. We offer durable and energy efficient products that help our customers achieve their own sustainability goals.

Material topics

- Energy & Emissions
- Circular Economy & Materials
- Environmental Compliance

Key targets

Reduce operational emissions 42% in line with a 1.5°C future

Target year	2030
Baseline FY 19/20	74,770 tCO ₂ e*

Reduce value chain emissions from purchased goods & services, and the use of sold products by 25%

Target year	2030
Baseline FY 19/20	1,197,848 tCO ₂ e*

All new product developments and optimizations are covered by our circularity approach

Target year	2023
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*Baseline FY 2019/20 in line with Science Based Targets initiative validation

UN SDGs



Aim

Partnerships

We collaborate to promote sustainable development beyond our own doors

We lead by example and engage with our partners to drive more eco-friendly practices and support the protection of human rights. Through our secure access solutions, we also contribute to people's health and safety. We work with partners to raise awareness on safe operating practices of our products.

Material topics

- Supplier Sustainable Development
- Human Rights
- Customer Health & Safety

Key targets

Assess all high-risk suppliers for their sustainability management by a third-party or off-board them for lack of participation

Target year	2027
Baseline FY 20/21	10%

UN SDGs



2. Step by step: Strategy development for beginners



5-step approach towards a Sustainability Strategy

- 1** Materiality Analysis

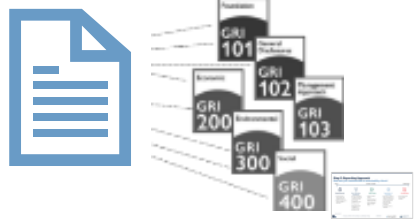
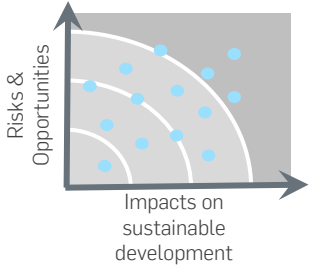
Identify material topics by analysing two perspectives: outward impacts and risks & opportunities (inward).
- 2** Strategic Framework

Align vision and ambition and create focus areas, customised to company's needs.
- 3** Sustainability Strategy

Define targets, KPIs and necessary measures for focus areas and material topics.
- 4** Governance & Implementation

Develop roadmap & measures, align with organisational structure and allocate resources & responsibilities.
- 5** Reporting Approach

Communicate efforts and sustainability performance and comply with all external requirements.



! The goal is to develop a future fit **sustainability strategy**, based on an acknowledged materiality analysis, for the company that will serve as the cornerstone for a sound **sustainability report** fulfilling all necessary regulatory requirements, sustainability frameworks and stakeholder expectations.

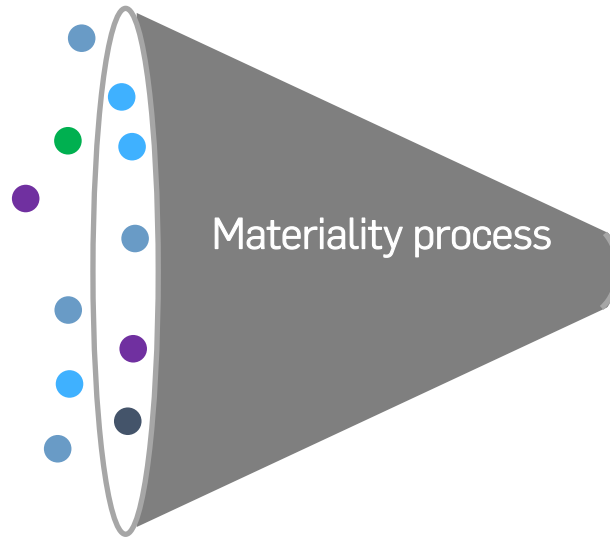
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Step 1: Materiality Analysis

What are your company's material topics?

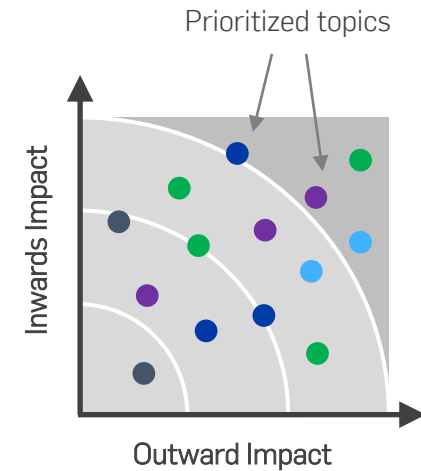


"Longlist"



Assessment from two perspectives:

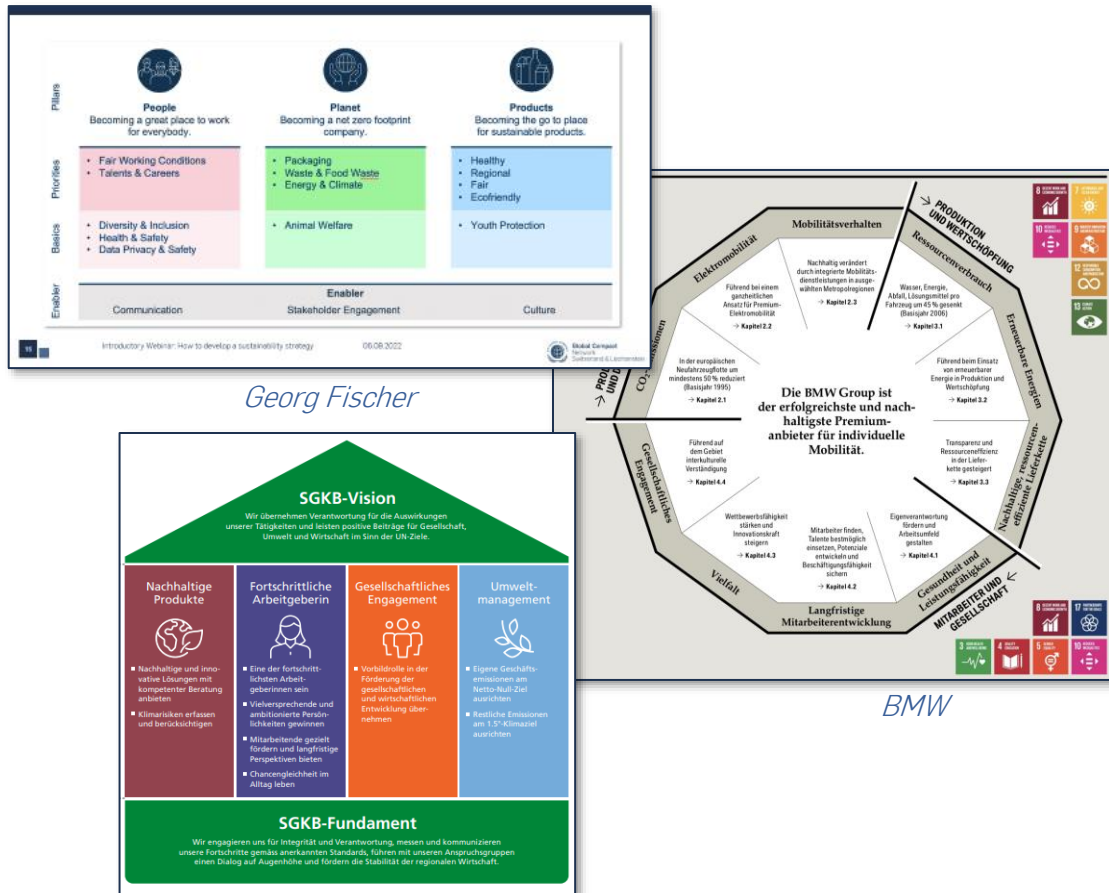
1. Outward impact (impact on environment, society and economy)
2. Inward impact (risks & opportunities for the company)



"Shortlist" of material topics

Step 2: Strategic Framework

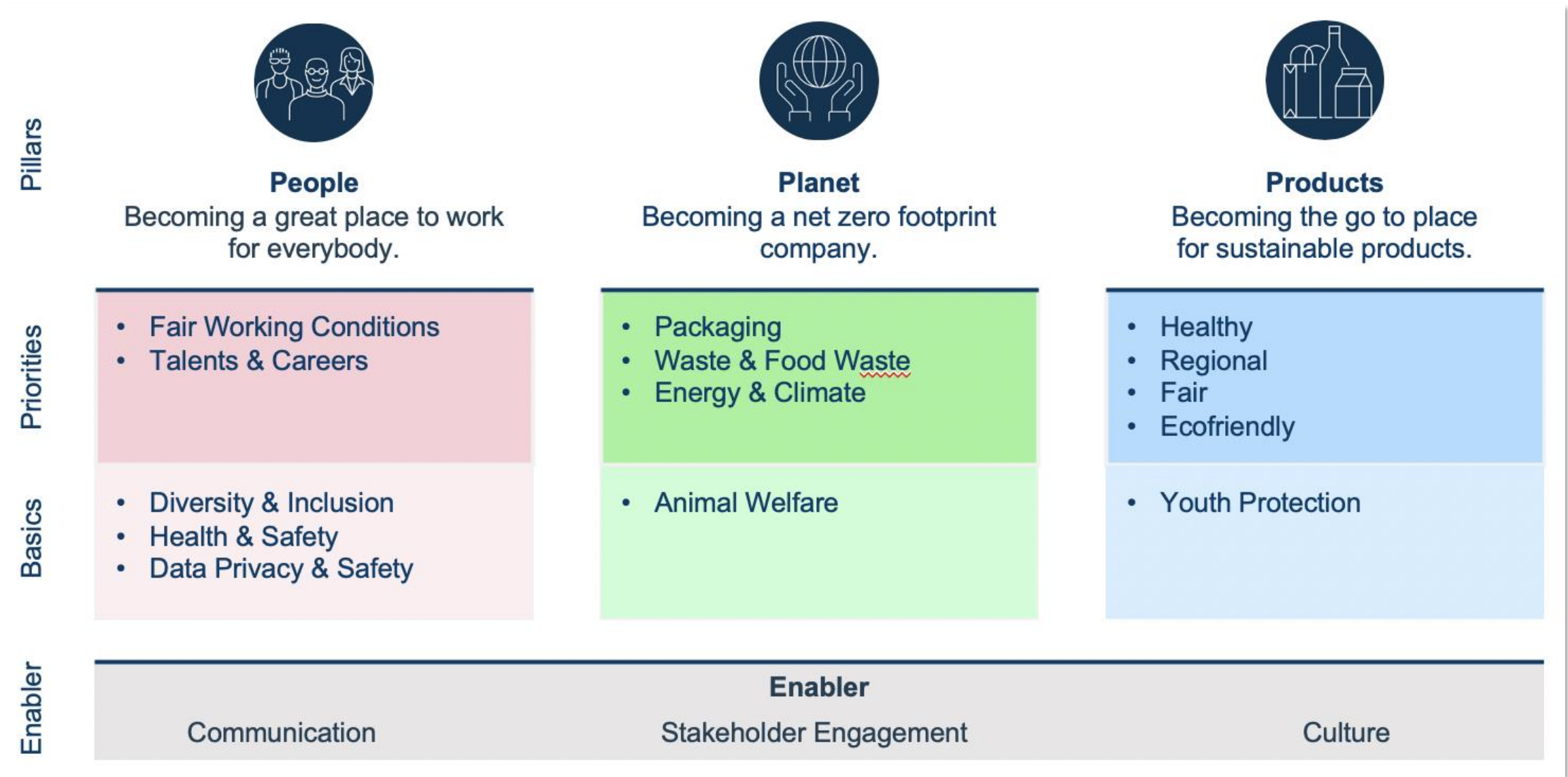
What are your company's ambitions?



A clear sustainability framework shows a company's sustainability ambitions:

- Create common understanding of the **company's vision**
- Set long-term **ambition levels** in line with the UN-Agenda 2030
- Define **focus areas** (usually 3-5 main areas / pillars) to prioritise your company's sustainability journey
- Strategic framework lays the **foundation** for the development of specific goals, KPIs and actions
- Establish a clear structure that the sustainability report and other **communication** can follow

→ Bridging material topics, sustainability strategy and sustainability communication towards stakeholders



Step 3: Sustainability Strategy

How can your company measure its achievements?

... by setting meaningful targets: In addition to SMART goals, sustainability targets should take into account the following principles:



Alignment with global challenges (context-oriented)



Long-term and ambitious



Results- and impact-oriented



Concrete and understandable

... by measuring useful KPIs: Impactful KPIs can be identified through benchmarks of industry peers or by consulting benchmark organisations

... by following a clear roadmap to implementation:

Ambition	Topic	Targets until 2025	KPI	Resulting measures							
				Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	2024	2025
	Waste	No virgin plastic	Tons of virgin plastic used	Scan for alternatives		Trial phase in production		Adaption of production processes		Replacement of virgin plastic	
	Diversity	50% women in management	% of women in management positions			
	Climate	Climate-neutral	Scope 1 CO2-emissions			
								

Step 4: Governance & Implementation

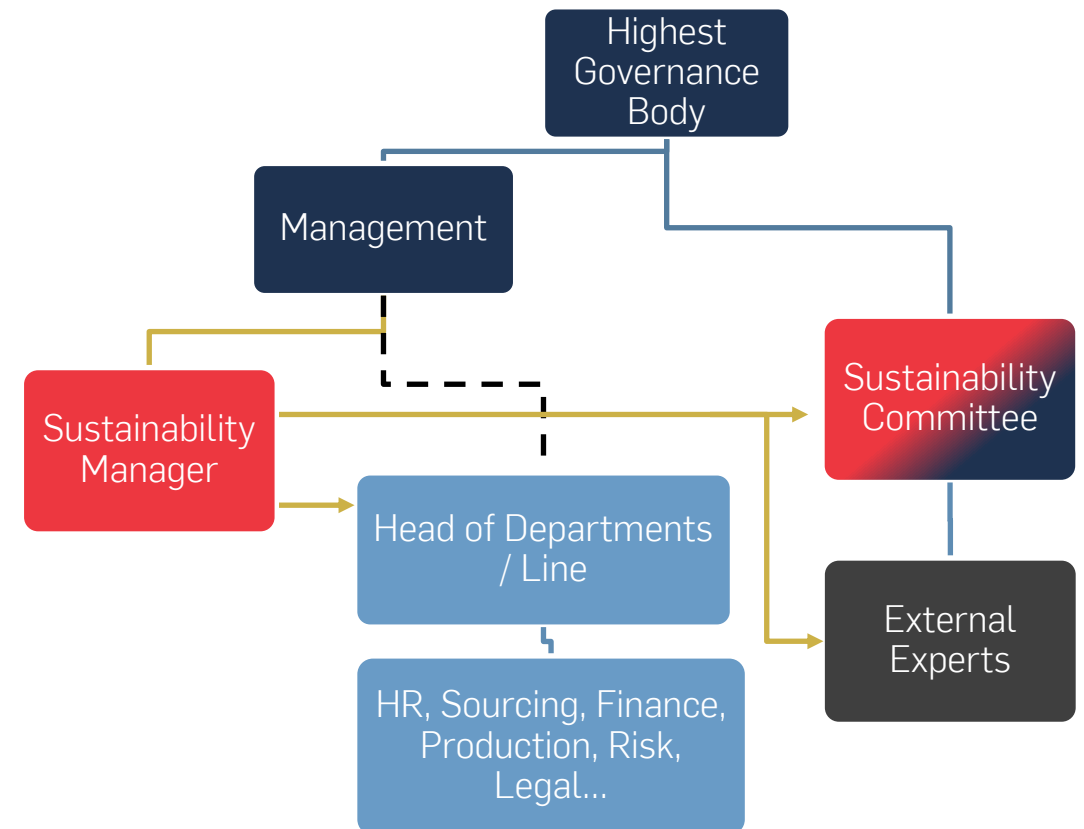
How does your company implement and anchor sustainability?

Definition of roles and responsibilities:

- Functional governance structure is essential for sustainability to be anchored within the organisation
- The following characteristics need to be defined for each entity:
 - Responsibilities and decision-making powers
 - Activities and content of work
 - Composition of entities
 - Required resources for involved people
 - Process sequence and decision-making paths
 - Required internal and external competencies
 - Relevant memberships and regulatory requirements
 - Guiding policies

- Main entity responsible for sustainability, specialists, creating core content, driving and managing the subject, maintaining **regular exchanges** with other entities
- Steering committee, making decisions and validating content
- Additionally involved people / departments, ensuring the link to the rest of the company

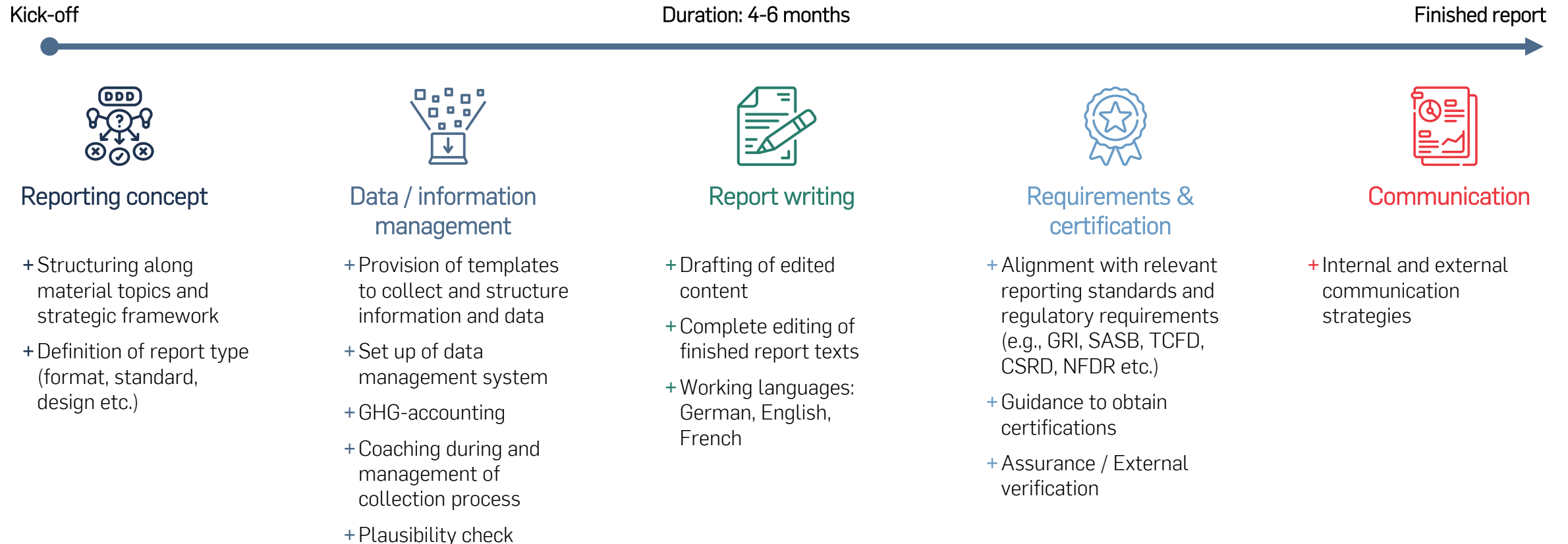
Example: Schematic representation of a possible sustainability governance structure



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Step 5: Reporting Approach

How does your communicate its sustainability efforts?



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Prerequisites and general conditions



Duration:

Approx. 9 months. Different steps require different amounts of coordination.



Buy-in:

Approval by the Executive Board (if project team has no decision-making authority).



People involved:

Sustainability ambassadors. Essential to include representatives from all business areas.



Resources:

Phase-dependent (effort required for internal coordination can vary greatly depending on topic).



Procedure:

Iterative, interactive and integrative development. Milestones should be validated by steering committee to ensure management buy-in.



Costs:

Depending on content and support needs from external experts.

3. Questions & Answers



4. What's coming next?



Further references

Target-setting

- [Future-fit business benchmark \(FFBB\)](#)
- [UN Sustainable Development Goals \(SDGs\)](#)
- [UNGC SDG-business benchmark](#)
- [Science-based targets network](#)

Best-practice examples sustainability strategies

- [Dormakaba](#)
- [Hilti](#)
- [Georg Fischer](#)

Materiality process and requirements

- [Global Reporting Initiative \(GRI\) 3 – Material Topics 2021](#)
- [Schweizer Obligationenrecht Artikel 964](#)
- [Corporate Sustainability Reporting Directive \(CSRD\)](#)
- [Sustainability Accounting Standards Board \(SASB\)](#)



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