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# Reporting on s2

**FIBS workshop**  
**5<sup>th</sup> September 2024**

## **From reporting to DD**

- ESRS standards a guideline for best practice / a vehicle.
- Focus on comparing current practice to OECD guideline / UNGP and ESRS standard.
- Importance in prioritising.

# Challenges

- So many activities pulling for your attention.
- Senior management being scared of the “get out clause” but equally hesitant on placing further recourses.
- In larger organisations especially, it takes a lot of time to develop and implement new policies and processes.

## Aha moments

- Taking action on the obvious potential negative impacts even before the whole supply chain mapping is in place.
- CSDDD focus on proximity.
- How to incorporate stakeholder engagement in a “smart” way – two birds in one stone.
- Combine environmental components into DD framework.

## Summary of one way of doing it.....

- Develop a DD framework. Important both internally and externally, and makes external reporting easier. Include both DD on negative impacts for people and the environment.
- Risk based approach on the **obvious** potential negative impacts.
- Hopefully can start on a risk matrix for all suppliers as well – this can provide more data points on which suppliers to target for social (and environmental) audits.
- Stakeholder engagement in a “smart way” – two birds in one stone.
- Grievance channel based on proximity. Start with pilots.
- Internal and external training initiatives.

## An ultimate goal

- Don't let DD become a self-perpetuating wheel in its own self.
- Let the rest of the business know which suppliers have more or less negative impact, and influence the company to act accordingly.
- Moving towards using more sustainable suppliers that have less negative impact on people (and environment)
  - Through requirements & processes
  - Through training
  - Through buyers understanding which suppliers are good and which ones aren't, and buying accordingly.

With the ultimate goal to reduce harm to people in your value chain.

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# Thanks for today!

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