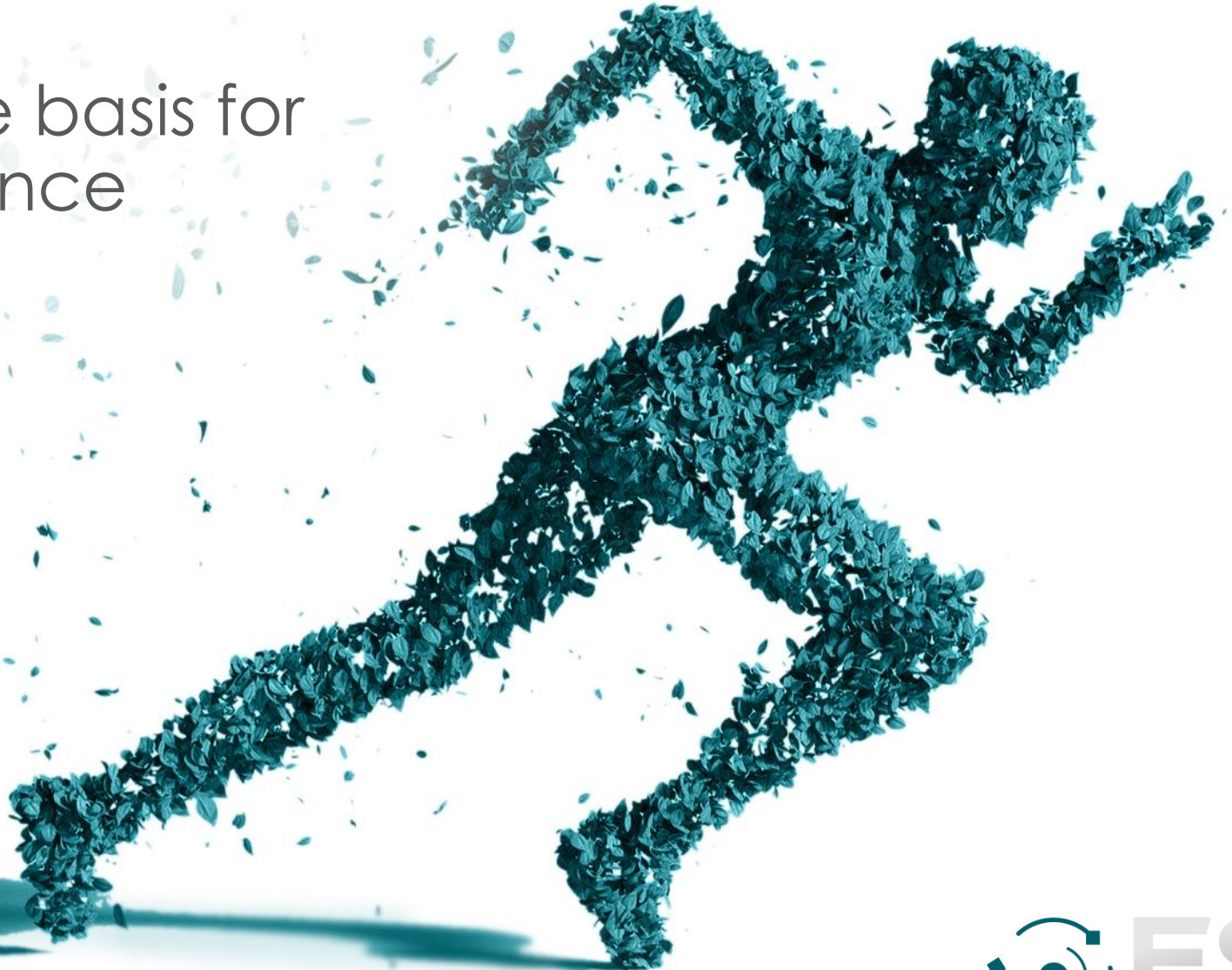


Risk management the basis for sustainability compliance

April 18, 2024

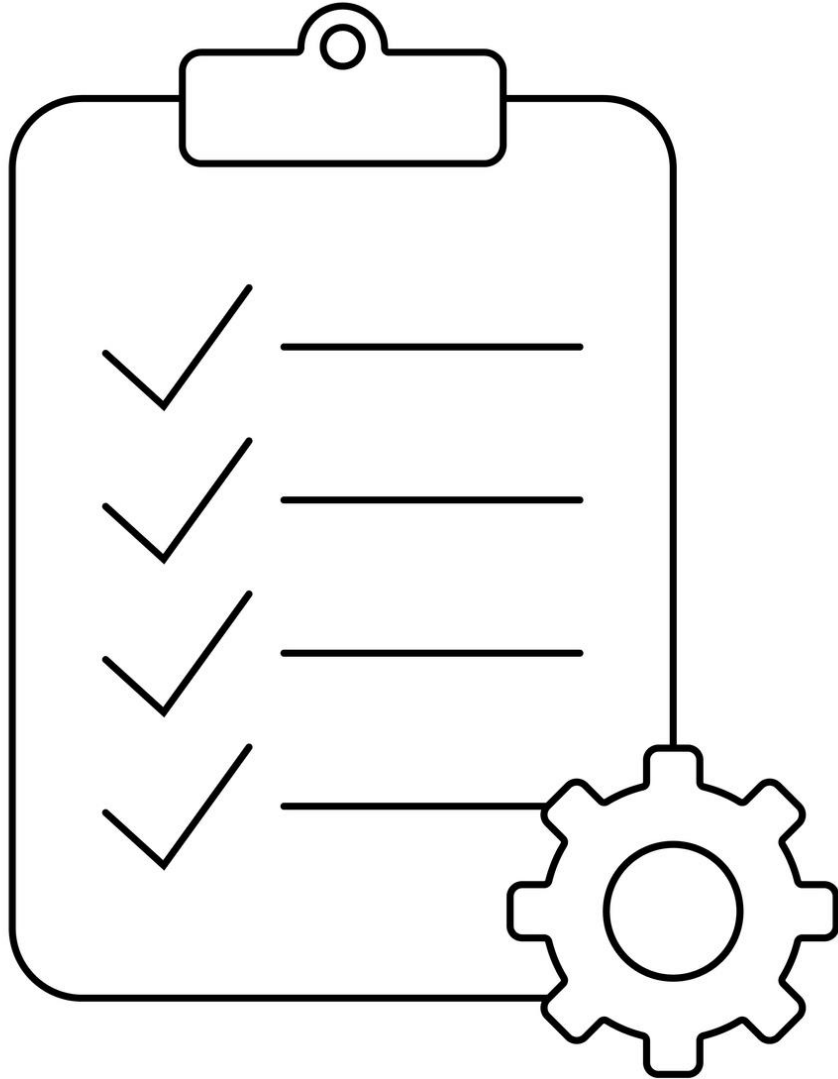


Compliance requires a risk-based approach



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Monitoring the supply chain also requires risk management and risk analysis

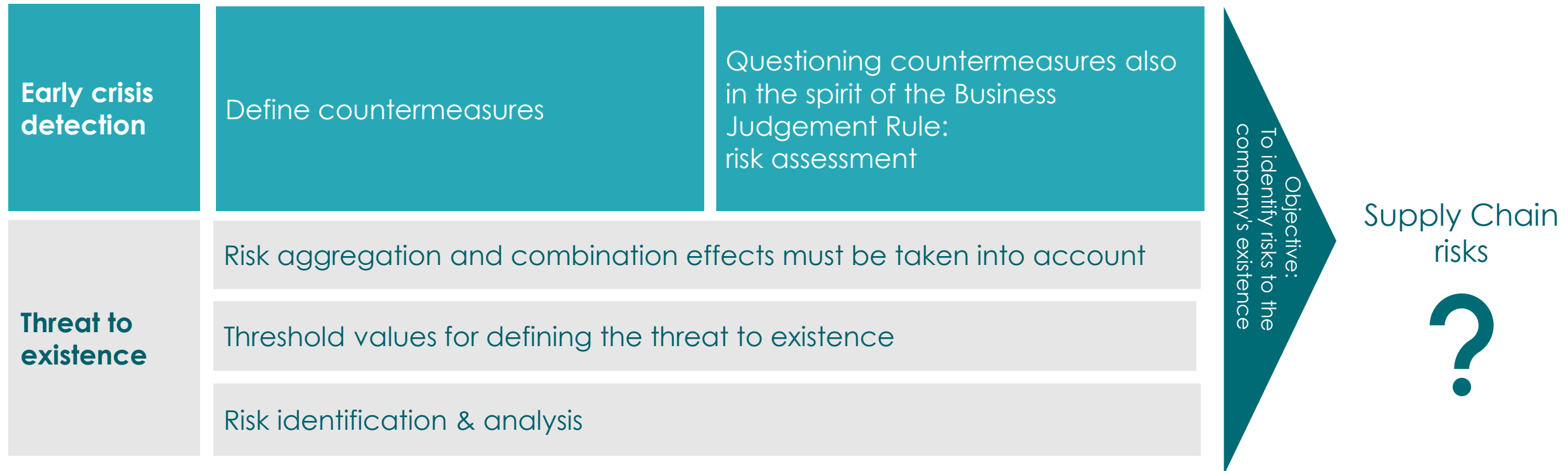


Duties of care

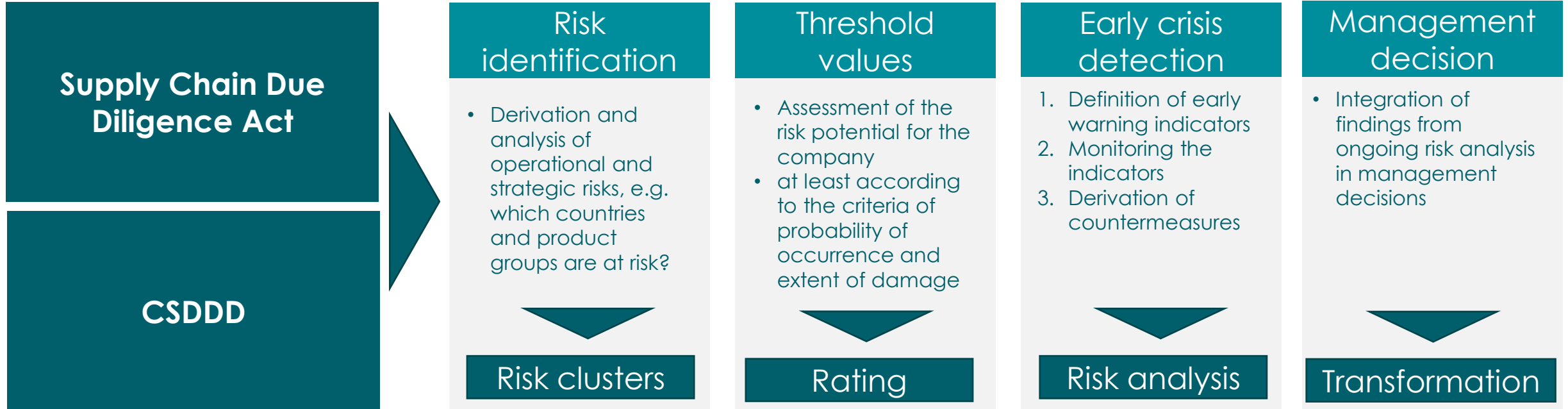
1. Risk management
2. Human Rights Officer
3. Risk analysis
4. Policy Statement
5. Preventive measures
6. Remedial measures
7. Complaints procedure
8. Action taken
9. Documentation

Formal criteria for risk management

The Management Board / management is obliged to introduce a system that recognizes risks that could jeopardize the continued existence of the company in good time. *



How these criteria are to be interpreted in terms of sustainability

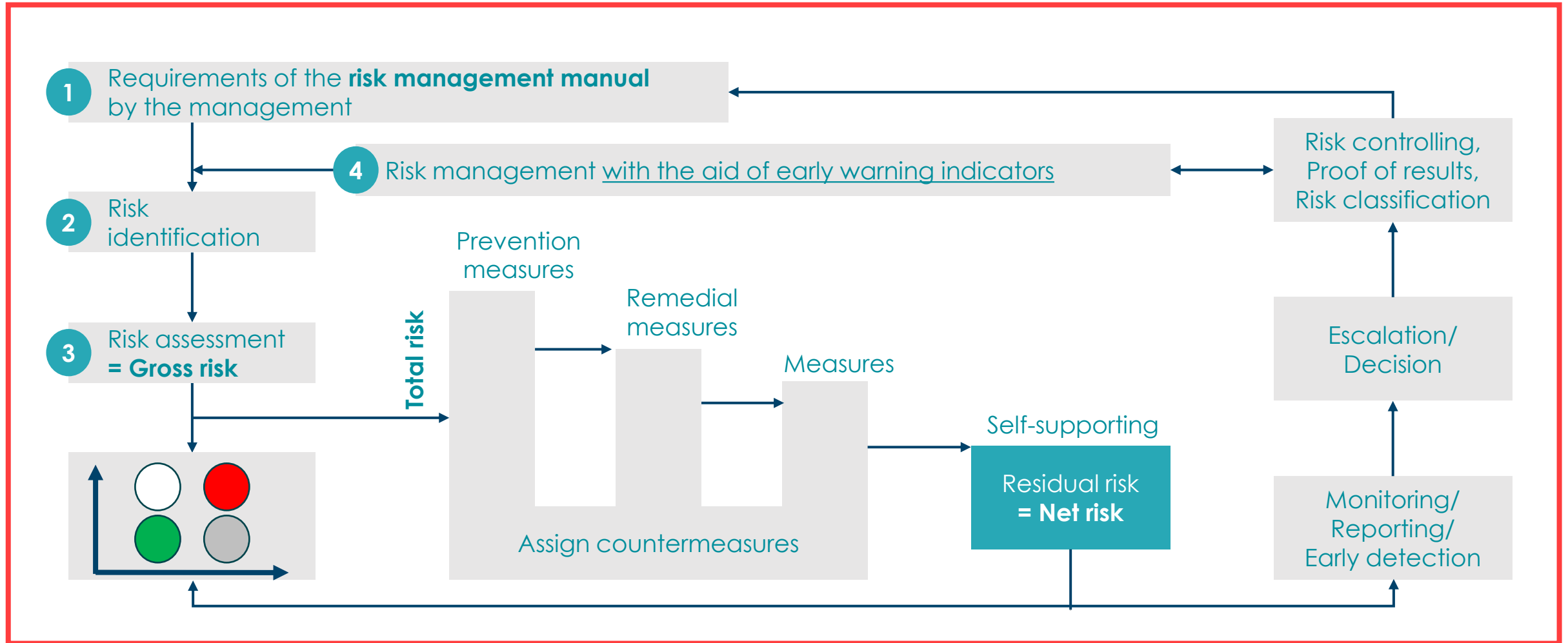


CSRD / ESRS

Disclosure of processes and thresholds according to the structure
Impact - Risk - Opportunities

How synergies can be created between the systems

5 Monitoring the effectiveness of the system



Thought impulses

1

The methodology of risk management is established, but in many cases falls short of the operational and strategic possibilities.

2

An effective risk management system puts companies in a better position to deal with business crises.

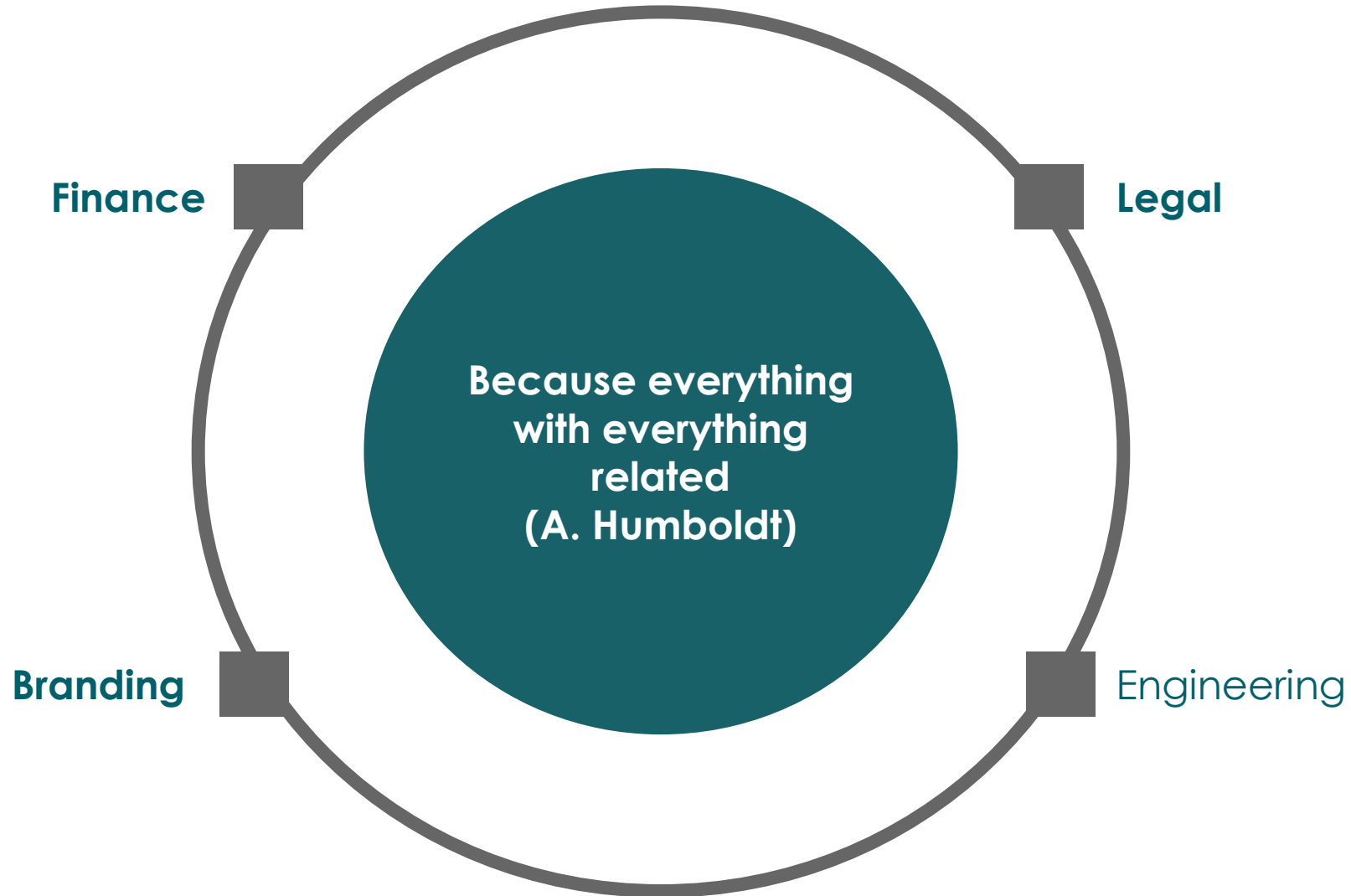
3

The key lies above all in setting up the system in such a way that risks can be prevented or reduced in terms of prevention.

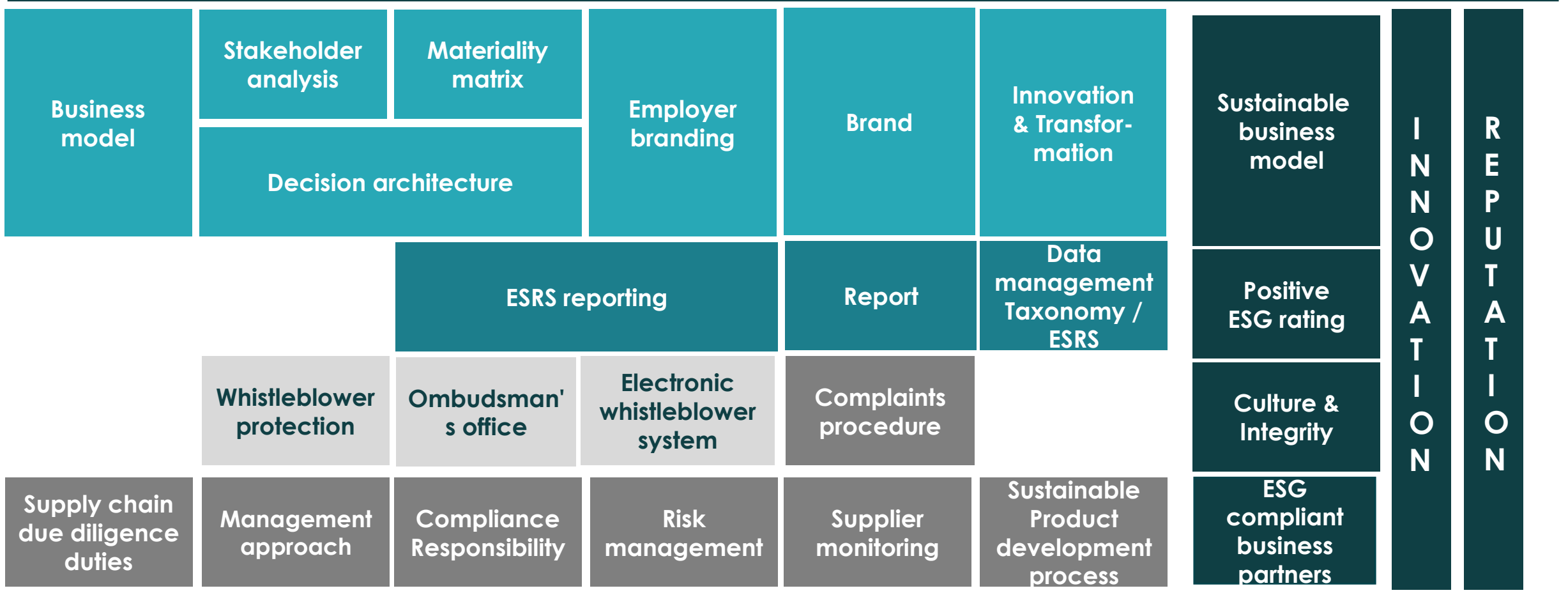
That's why we need a new vision for the future: What do we want to achieve with risk management?

Topic	Status	Picture of the future
Risk identification	Primarily operational risks	Stronger focus on strategic, sustainable and macroeconomic risks
Risk quantification	Risk as damage and probability of occurrence	Appropriate probability distribution and uncertain effects
Risk aggregation	Missing aggregation or expected loss values	Monte Carlo simulation and analysis of the combination effects of risks
Decision-oriented risk management	Routine risk reports only	Risk analyses for "entrepreneurial decisions"
Value contribution of risk management	Risk minimization	Optimization of the risk profile and management of the value drivers "cost of capital" and "probability of insolvency"
Organization of risk management	Risk management in the "silo"	Integrative risk management

Generating added value requires new thinking: Sustainability compliance can be a catalyst for this



ESG Powerhouse would like to set impulses together with you



No harm

Neutral

Positive impact

Because everything is connected to everything else: Our interdisciplinary team



FINANCE

Focal points:

- Reporting
- IT and accounting processes
- Governance processes incl. supply chain



LEGAL

Focal points:

- Whistleblower system
- Ombudsman's office
- Complaints office
- Human Rights commissioner



ENGINEERING

Focal points:

- Sustainable product development process
- Supplier audits
- Supplier screening



BRANDING

Focal points:

- Added value communication
- Strengthening the brand

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