



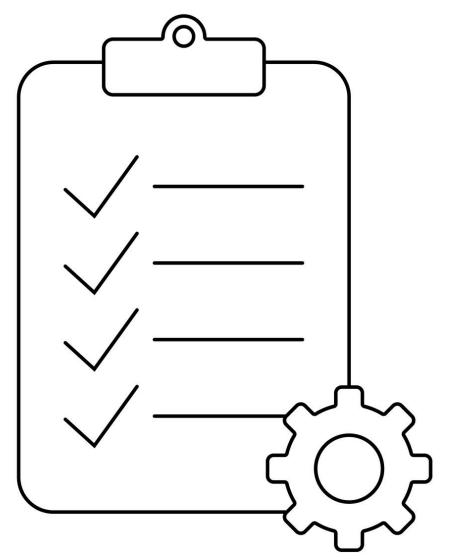




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# Monitoring the supply chain also requires risk management and risk analysis



### **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. \*

Early crisis detection

Define countermeasures

Questioning countermeasures also in the spirit of the Business Judgement Rule: risk assessment

Threat to existence

Risk aggregation and combination effects must be taken into account

Threshold values for defining the threat to existence

Risk identification & analysis

Objective:
To identify risks to the company's existence

Supply Chain risks



# How these criteria are to be interpreted in terms of sustainability



Supply Chain Due Diligence Act

**CSDDD** 

# Risk identification

 Derivation and analysis of operational and strategic risks, e.g. which countries and product groups are at risk?

Risk clusters

# Threshold values

- Assessment of the risk potential for the company
- at least according to the criteria of probability of occurrence and extent of damage

Rating

# Early crisis detection

- Definition of early warning indicators
- 2. Monitoring the indicators
- 3. Derivation of countermeasures

Risk analysis

## Management decision

 Integration of findings from ongoing risk analysis in management decisions



Transformation

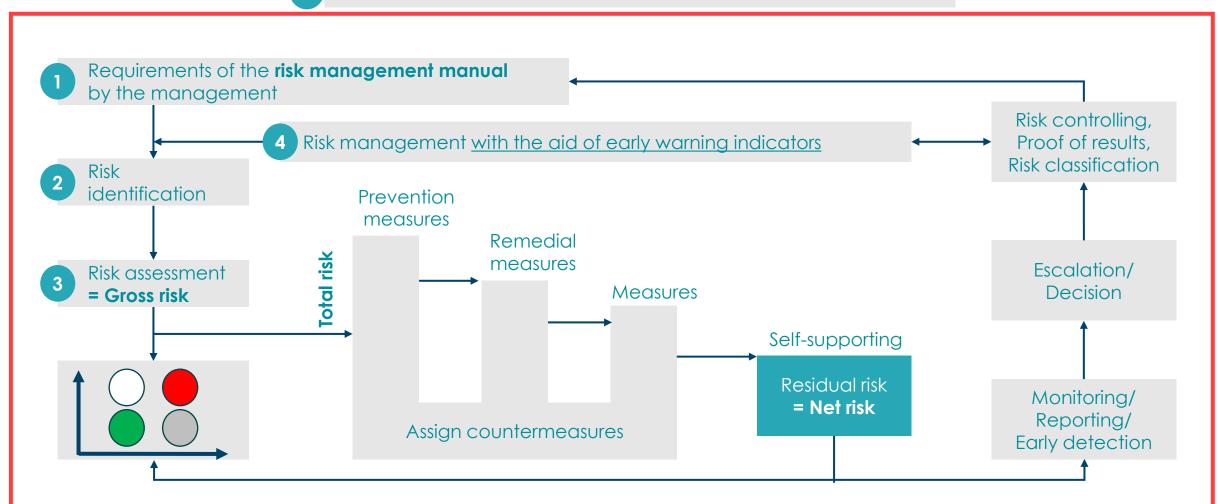
CSRD / ESRS

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

### How synergies can be created between the systems



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.



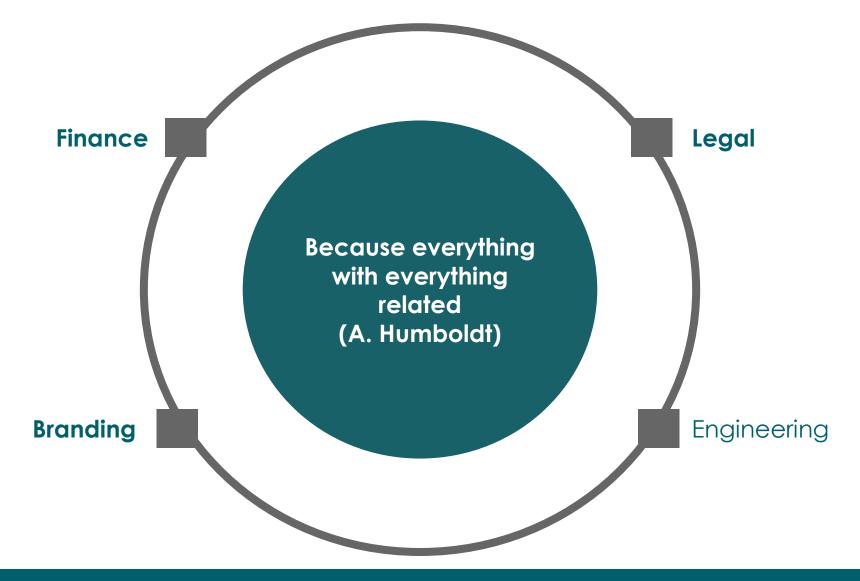
# That's why we need a new vision for the future: What do we want to achieve with risk management?

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		

creating sustainable values Prof. Dr. Gleissner



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



## ESG Powerhouse would like to set impulses together with you



Business model	Stakeholder analysis	Materiality matrix	Employer branding	Brand	Innovation & Transfor- mation	Sustainable business	I R
	Decision architecture					model	N E N P O U
		ESRS reporting		Report	Data management Taxonomy / ESRS	Positive ESG rating	V T A A
	Whistleblower protection	Ombudsman' s office	Electronic whistleblower system	Complaints procedure		Culture & Integrity	I I O O N N
Supply chain due diligence duties	Management approach	Compliance Responsibility	Risk management	Supplier monitoring	Sustainable Product development process	ESG compliant business partners	

No harm Neutral Positive impact







**FINANCE** 



**LEGAL** 



ENGINEERING



BRANDING

#### Focal points:

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

### Focal points:

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

### Focal points:

- Sustainable product development process
- Supplier audits
- Supplier screening

### Focal points:

- Added value communication
- Strengthening the brand

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