"Leadership means thinking in long-term horizons"

The Commission for Technology and Innovation (CTI) of the Federal Department of Economic Affairs, Education and Research supports a project between St. Gallen University of Applied Sciences, Detecon Consulting and parm ltd. The project has been set up to integrate companies' sustainability-oriented management policies into their strategy development and implementation processes.

Sustainable development in corporate practice

The vision of the Global Reporting Initiative (GRI) is a sustainable global economy, in which organisations

1. are conscientious of their economical, environmental and social performance, as well as their leadership behaviour and its effects, and
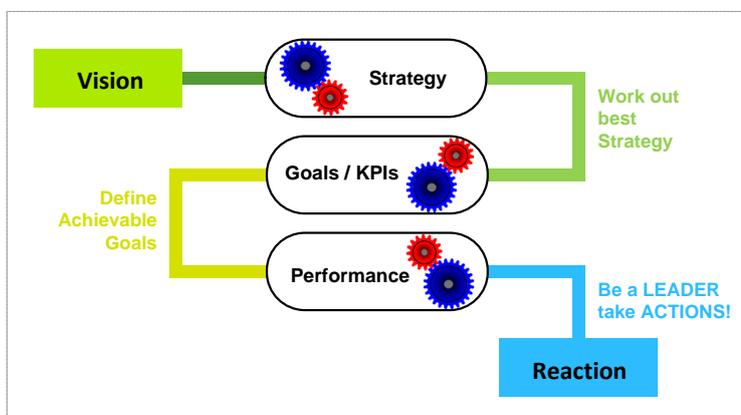2. report on these in a transparent manner.

The **first step** is a question of finding an integrated approach in which economical, environmental and social aspects are considered equally in the company's actions and decisions.

Environmental management systems largely focus on detailed regulations at an <u>operational</u> level. Modern strategic management systems such as the Balanced Scorecard are ideal for incorporating the <u>strategy aspect</u> into corporate environmental and sustainability management. Together with a downstream, implementation-based project management system, integrated risk management and a global communications platform, it is possible to implement a holistic management system and/or a comprehensive control system.

The Balanced Scorecard is particularly suitable as a management system because the environmental and social aspects that are relevant to sustainability are frequently of high quality and often impact on companies via non-market mechanisms. Both financial and non-financial factors, and hence also the environmental and social aspects, can be taken into account in the Balanced Scorecard. Furthermore, environmental and social aspects can be aligned to the strategy implementation and hence the long-term success of the company via cause-effect chains.

An integrated system is essential to avoid the formation of parallel management systems within the same company, to reduce interface problems and to minimise the ensuing co-ordination and harmonisation costs.

The **second step** relates to implementing the strategy: "A strategy is only as good as its implementation."

The **third step** involves documenting the efforts within the company in a transparent manner. Sustainability reporting should focus on issues that are important to the company and include the effects of the company's activities on the entire value-added chain in reports. The GRI's guidelines are the most common standard worldwide applied by companies.

The greatest challenges for most companies lie within the following areas:
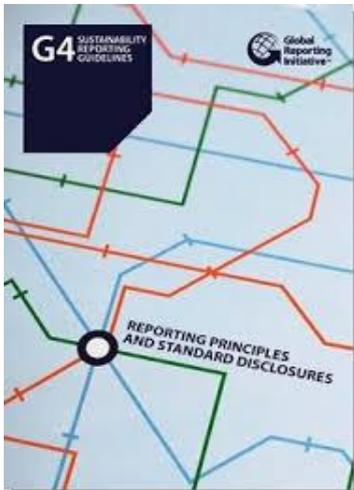
- Development of the process for determining the key issues (if not yet available) and its documentation, encompassing the inclusion of stakeholders.
- Determining the boundaries of the report over the entire value-added chain and associated adjustments to the data collection process (indicators)
- Data collection with regard to additional governance criteria (especially in the case of the 'comprehensive' option).

The myPARM Sustainability Suite connects the three topics "Strategic Leadership", "Implementation within the Company" and "Sustainability Reporting".

Your benefit: less idle time, the left hand knows what the right hand is doing, transparency, timeliness, best practice and last but not least: immense cost savings.

Strategic Layer according Norton/Kaplan BSC. Definition, formulation and implementation of the strategy map with <u>your</u> key business perspectives, goals and KPIs with status and trend analysis.

Expansion of the BSC to sustainability issues.
The indicators relating to sustainability are matched with the GRI standard G4 to serve you as a template.
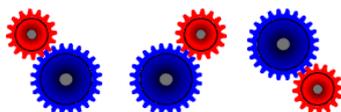
Transformation
(Project Management)

Controlling
(Alerting)

Further information

Do you have further questions or would you like more information about applying?
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