



ESG Schemes & Best Practices

Presented by:

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kiwa

A top-down view of a child with long brown hair, wearing a light pink long-sleeved shirt, sitting on a beige carpet and drawing a globe on a white sheet of paper. The child is using a blue crayon to color the oceans. The globe shows green continents and blue oceans. To the left of the paper, several colored pencils (red, yellow, green, blue) are scattered. To the right, there are stacks of pink, yellow, and orange papers. The scene is lit by natural light, creating soft shadows.

We are committed to
a **safer**, more **sustainable world**.

This is our team

- **Technical Excellence:** Deep knowledge in sustainability standards, supply chains & lifecycle analysis
- **Sector Coverage:** Solar, Batteries, Construction, Electrical Devices, Textiles, Food, Feed & Agriculture
- **International Network:** Professionals from diverse cultural and academic backgrounds
- **Languages:** English, German, French, Spanish, Swedish, Russian, Portuguese, Persian, Serbian, Dutch, Norwegian, Chinese, Turkish + more



Sustainability Areas at Kiwa

Calculation and verification of environmental, social impacts of products, organizations or services (e.g. carbon foot printing).

Sustainability Metrics

Verification and certification of systems to reuse, refurbish or recycle products.

Circular Economy

Verification and certification of environmental and social impacts along the supply chain.

Sustainability Due Diligence



Agenda

- Introduction: Why ESG Matters
- ESG Frameworks & Rating Schemes: Structured Comparison
- ESG Risks & Opportunities: The Business Case
- Practical ESG Implementation: Step-by-Step Guidance
- Kiwa's ESG Services & Value Proposition
- Q&A

Why ESG? The Global Imperative

- **Regulation**

- Reporting and disclosure requirements are expanding
- Supply chain due diligence expectations are increasing

- **Market**

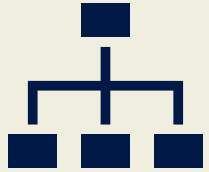
- Customers screen suppliers using ESG questionnaires and ratings
- ESG performance is becoming a procurement requirement

- **Finance & trust**

- Investor scrutiny and lending conditions depend on ESG signals
- Reputation and license to operate are directly impacted



Frameworks vs Ratings (Core Distinction)



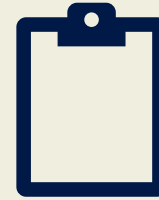
Frameworks

Structure for reporting and ESG management
Helps define what to report and how to manage ESG topics



Ratings

External scoring and benchmarking
Used by investors, customers, banks, and insurers



Takeaway:

Build maturity with frameworks; demonstrate credibility through ratings.

Framework Landscape

Common ESG frameworks (quick overview)

- **GRI:** impact and stakeholder focus
- **ISSB/SASB:** investor focus and financial materiality
- **TCFD:** climate governance, risk, and metrics
- **UN SDGs:** strategic alignment and communication layer
- **EU CSRD/ESRS:** regulatory reporting requirements
- **EU Taxonomy:** classification of environmentally sustainable activities

How to Choose a Framework

Selection criteria

- Mandatory vs voluntary requirements
- Primary audience: regulators / investors / customers / stakeholders
- Industry risk profile and footprint
- Data availability and internal maturity
- Reporting boundaries and supply chain coverage

Rule of thumb

- Investor focus → ISSB/SASB
- Broad impact reporting → GRI
- Climate disclosure → TCFD
- EU compliance → ESRS/CSRD (+ Taxonomy)

ESG Ratings: Who & Why (Script)

Common schemes

- Investor-focused ratings
- Procurement-focused scorecards
- Disclosure platforms

Why they matter

- Supplier selection and customer trust
- Access to finance and insurance conditions
- Benchmarking vs peers and competitors

What Ratings Measure (and what they don't)

They typically measure

- Policies and commitments
- Governance and risk management
- Programs, KPIs, and performance trends
- Quality of disclosure and evidence

They often do NOT prove

- Full legal compliance
- Site-level effectiveness
- Audit-grade assurance unless verified externally

Frameworks vs Ratings (Practical Comparison)

Frameworks

- Build a repeatable ESG operating system
- Strengthen governance, data, and decision-making

Ratings

- Translate your ESG maturity into an external signal
- Improve comparability for investors and customers

Bottom line

- A strong ESG system is the fastest route to better ratings outcomes.

Common Implementation Pitfalls



ESG treated as reporting-only



Too many KPIs without prioritization



Unclear data ownership and accountability



Inconsistent evidence/documentation



No linkage to risk management and strategy



Supplier ESG not integrated or limited into procurement processes

Practical Implementation Roadmap



Scope and context definition



Materiality and risk assessment



Select frameworks and rating targets



Governance, policies, and KPI library



Data systems, controls, and evidence packs



Reporting, assurance, and continuous improvement

Step 1–2: Scope + Materiality



Define boundaries: entities, sites, operations, key suppliers



Map stakeholders and expectations



Use two lenses:

- i. Impact materiality (environment/society)
- ii. Financial materiality (business/enterprise value)



Prioritize 8–12 material topics to start

Step 3–4: Governance + KPIs

Assign roles: oversight, ESG lead, KPI owners, site champions

Build core policies + procedures + training

KPI principles: measurable, comparable, auditable

KPI groups:

- E: energy, emissions, waste, water
- S: H&S, labor, training, DEI (where relevant)
- G: ethics, compliance, due diligence

Step 5: Data + Evidence (Rating Readiness)



**Standardize data sources
and calculation methods**



**Add controls: review,
approvals, versioning,
audit trails**



**Build an evidence pack
structure:**

Policy → procedure → record → KPI
calc → proof



**Result: Faster customer
responses, stronger
ratings submissions,
higher credibility.**

ESG as Risk Management



Regulatory and reporting risk



Supply chain disruption risk



Human rights and labor risk



Environmental incident risk



Reputational and market access risk



Action: Embed ESG risks into enterprise risk management and procurement controls.

ESG as Opportunity & Value Creation



Cost reduction: energy efficiency, waste reduction



Revenue growth: new customers and tenders



Financing: improved access and risk profile



Talent: attraction and retention



Innovation: new product/process opportunities

Why Independent Assurance Helps



Improves confidence in ESG data and claims



Supports regulatory readiness and stakeholder expectations



Enhances rating evidence quality



Enables consistent improvement through external insights

Kiwa ESG Services (End-to-End)

- ESG maturity and gap assessment
- Framework alignment (GRI / ISSB / TCFD / ESRS readiness & Technical Support)
- KPI setup + data process design (ESG implementation Plan)
- Supplier ESG assessments and audits
- Software solution for Supplier management (SCDD)
- Ratings readiness and evidence pack support
- Independent verification / assurance support (where applicable)
- Audits for different ESG schemes like We Care, SSI and many more.

Kiwa's supply chain due diligence services

- Service approach:
- ESG supply chain due diligence training
- Gap analysis and verification of "dry execution"
- Second-party ESG supplier audits and supplier assessments
- Third-party ESG audits
- ESG schemes related to supply chain due diligence
- SEE-Mineral/Metal, Solar, Battery, Conflict Minerals
- Evaluation and inspection of supply chain traceability
- Solar Management Initiative - ESG Standard
- SA8000



Kiwa's Structured Due Diligence Approach

- Risk screening & prioritization
- Supplier assessments & audits
- Gap analysis
- Corrective action plans
- Follow-up & monitoring



Why though?

- Define inefficiency hotspots
- Foster consumer confidence
- Demonstrate commitment to sustainability
- Prepare for the future requirements
- Kiwa as a neutral, independent assurance and verification body
- From mines to customers: end-to-end sustainability services

• **Kiwa's Role & Credibility**

- Independent certification, testing, inspection, and assurance
- Global presence with strong local expertise
- Experience with:
 - Supply of Different Sectors
 - ESG services in all the sectors
 - Traders, processors, retailers



Kiwa services on Sustainability



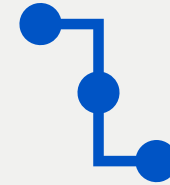
Sustainability Metrics

- Environmental Product Declaration
- Corporate Carbon Footprint
- Emission Trading System
- ISO14068 (Carbon Neutrality Claims)



Circular Economy

- RecyClass
- KiPlas
- End of Waste
- ISCC
- WEEELABEX
- etc.



Sustainability Due Diligence

- SEE Standard (2nd + 3rd party ESG Audits)
- We Care (Food)
- Double Materiality Analysis
- AA1000
- Kiwa-Supplier platform etc.



Shoot your questions!

Please remember to turn
your mic ON...

WWW.KIWA.COM

Thank you for your attention!

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