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The Link between Management Systems and Sustainability

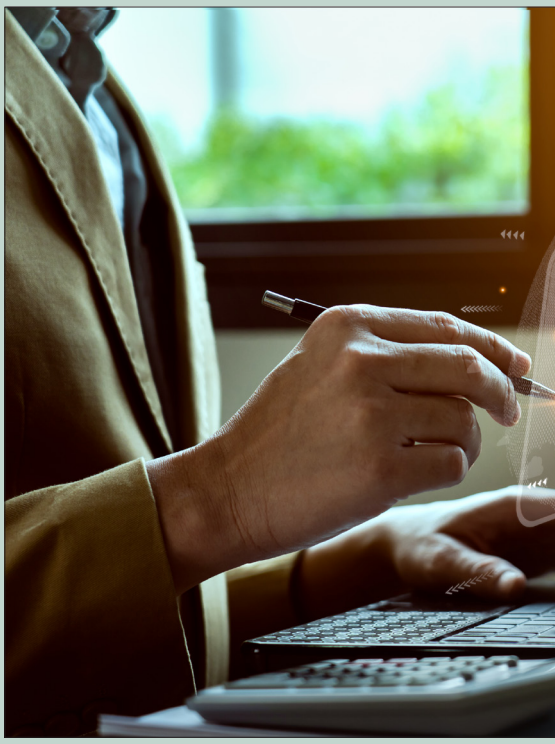
In recent decades sustainability has gained greater relevance. The growing awareness of environmental, social, and economic issues has pushed companies, governments, and non-governmental organizations to reconsider their operating models. In this context management systems and sustainability can be strategically interconnected to develop an integrated approach to ensure that companies operate effectively, efficiently, and responsibly, leading to innovative solutions that can differentiate them in the market.

CSRD and Management Systems

The Corporate Sustainability Reporting Directive requires companies to report their sustainability performance. For the CSRD, **transparency** is a fundamental principle, it is therefore important that companies provide consistent, compatible and above all verifiable data.

Many companies question whether there is a link between various management systems that are already in place and the sector-agnostic European Sustainability Reporting Standards developed by the European Financial Reporting Advisory Group.

Even though there is no full correspondence between management systems and ESRS standards, there are many similarities between them. Here after you will find a *non-exhaustive example* of the list of management systems that may be linked to each of 10 topical standards.



A. ENVIRONMENTAL TOPICAL STANDARDS

E1 Climate Change and E2 Pollution standards can be linked to:

- **ISO 14064-1:2018** Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.
- **ISO 14064-2:2019** Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements.
- **ISO 14064-3:2019** Specification with guidance for the verification and validation of greenhouse gas statements.
- **GHG Protocol** – comprehensive global standardized frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions.

- **ISO 50001:2018** – an international standard that provides a robust framework for organizations to enhance their energy performance and emphasizes the importance of continuous improvement in energy efficiency, reduction of energy consumption, and promoting the use of renewable energy sources.

E3 Water and Marine Resources can relate to

- **ISO 14046:2014,** which defines the framework for assessing the water footprint of products, processes, and organizations, focusing on the volume of water consumed and the associated environmental impacts and providing a comprehensive methodology for evaluating water-related sustainability.

E4 Biodiversity and Ecosystems standard is supported mostly by

- a range of **frameworks**, such as **Kunming-Montreal** Global Biodiversity Framework, the Taskforce on Nature-related Financial Disclosures (**TNFD**), the Science-based Targets for Nature (**SBTN**) to cite some, while as **ISO** has created Technical Committee 331 aimed at developing specific standards.

E5 Resource Use and Circular Economy standard can be linked to:

- **ISO 59004:2024** Circular economy – Vocabulary, principles and guidance for implementation.
- **ISO 59010:2024** Circular economy – Guidance on the transition of business models and value networks.
- **ISO 59020:2024** Circular economy – Measuring and assessing circularity performance.

- It's worth mentioning also the insights on circularity provided by **The Ellen MacArthur Foundation**.

Apart from topic-specific management systems, there are also those that are transversal and can contribute to the overall improvement of environmental management. Here we can site:

- **ISO 14001:2015** is the internationally recognized standard for the environmental management.
- **EMAS** (Eco-Management and Audit Scheme), established by the European Commission, helps organisations enhance their environmental performance and optimise resource usage.
- The **EHS pillar**, particularly its environmental part, of **TPM** (Total Productive Maintenance) implements a methodology to drive towards the achievement of zero accidents and zero pollution.

B. SOCIAL TOPICAL STANDARDS

S1 Own Workforce and S2 Workers in the Value Chain can be linked to:

- **ISO 45001:2018** (an international standard for occupational health and safety) and the **EHS Pillar of TPM**.
- **SA 8000** – an international standard for social accountability that requires compliance with eight performance criteria (Child Labor, Forced and Compulsory Labor, Health and Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration).
- Diversity and Inclusion (for example, **ISO 30415:2021** and **UNI/PdR 125:2022** used in Italy).
- **ISO 20400:2017** Sustainable procurement – a standard that provides guidance on integrating sustainability within procurement.

S3 Affected Communities and S4 Consumers and End-users

- can be supported through **ISO 26000:2010** (a guideline on integrating social responsibility into a company or organization) and **ISO 9001:2015** (a globally recognized standard for quality management), both of which consider company's context and deal with an effective stakeholder engagement.

C. GOVERNANCE TOPICAL STANDARD

is one so far (**G1 Business Conduct**) and, apart from the already cited **ISO 26000** and **ISO 9001**, it can be supported by **ISO 37001:2016** that specifies requirements and provides guid-

ance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.

PROS AND CONS OF THE INTEGRATED APPROACH

The link between management systems and sustainability is intrinsically strong and represents a series of advantages as well as some disadvantages.

Among the **advantages** we can cite the following ones:

- the joint implementation of management systems and sustainability processes allows organizations to **reduce operating costs** through **better resource allocation** and **process optimization**, avoiding overlaps and double counting;
- **greater transparency and accountability** improve company's **image** and can establish a relationship of trust with its stakeholders;
- **regulatory compliance**: adopting an integrated system helps companies ensure that their practices comply with legal requirements and market expectations, avoiding sanctions and improving their competitiveness.

Main **disadvantages** of the integrated approach are as follows:

- companies must bear economic **costs**, as well as **invest** time and specific skills into these projects to guarantee a successful and long-lasting integration of management systems and sustainability;
- furthermore, the **complexity** of integrated management can also lead to difficulties in terms of coordination and internal communication.

CONCLUSIONS

The connection between management systems and sustainability is inherently robust and crucial for addressing contemporary challenges, including transparency and reporting.

Therefore, it is imperative for companies to recognize that effective and sustainable management constitutes a strategic approach for future success.