



Transparency and activation of the supply chain - Conclusion of the Climate Transformation Summit 2022 from B.A.U.M.'s perspective

Transparency and activation of the supply chain - making it cooperatively sustainable is the way forward. This is the essence of the Climate Transformation Summit 2022, which B.A.U.M. supported this year as launch partner. Nearly 1000 registered guests from 59 countries participated in the various formats over two digital conference days, organized for the third time by Berlin-based start-up THE CLIMATE CHOICE. B.A.U.M. contributed as part of a main panel and a practical workshop.

The Summit kicked off on Thursday, June 2, with Stefan Rahmstorf from the Potsdam Institute for Climate Impact Research (PIK) delivering a keynote on the alarming current facts and figures on the climate crisis. This was immediately followed by the first main panel, in which B.A.U.M. Chair Yvonne Zwick, together with Member of the European Parliament Jutta Paulus (The Greens/EFA), Anna Hefedova (Deloitte & GRI), Michael Zimonyi (IFRS Foundation) and Fiona Macklin (Race to Zero) and moderated by Daniel Hires (Impact Calling), talked about climate reporting and climate data. The panel quickly turned to the questions of what makes climate reporting more meaningful and how companies can navigate the jungle of shortcuts between CSRD (i.e., the expansion of corporate sustainability reporting requirements), CDSB and TCFD as global standards for climate reporting, and IFRS. The panelists agreed that an overall strategy based on internationally recognized and science-based standards is necessary. Elementary are the references to Paris compatibility of the business models themselves as well as, beyond climate protection and adaptation, biodiversity as an important basis of ecological livelihoods. Yvonne Zwick pointed out that data is a prerequisite for market development and market relevance. The standardization processes of EFRAG and ISSB replaced the era of arbitrariness. It is now up to companies to enter the era of comparable, credible reporting and consistent alignment with sustainable business, she said.

Immediately following the opening panel, B.A.U.M., together with ConClimate and EcoVadis, hosted a practical workshop on decarbonizing the supply chain. In this workshop, B.A.U.M. member companies shared practical knowledge on how stringent supply chain management can help to identify leverage effects in terms of climate, ecology and social aspects. Anne Benz, Head of Carbon Regulatory Watch at EcoVadis cautioned, "There is a big disconnect with the Paris targets - where are we and where should we be? We need to decarbonize supply chains. Politics and Economy need to act consistently hand in hand, and policy and regulation need to be much more stringent."

"Companies are facing numerous transparency requirements," said Dr Christian Reisinger, managing director of ConClimate GmbH. "Many companies voluntarily go beyond these requirements and do not wait for political regulations to be imposed on them. They are aware of their social responsibility. At the same time, there are still many companies that have not

yet set out on the path and have yet to get moving." Ultimately, he said, this is also a question of fear and trust. Some companies fear losing their business partners if they do not fulfill their increasing requirements for climate protection and sustainability.

This is also in line with EcoVadis' approach, which is to become active now as a company and work closely with other stakeholders. "We all need to put the issue of sustainability management and sustainable procurement on the agenda: Governments, companies, society - and take real action, every day!" said Dr Lotte Beck, Senior Customer Success Manager at EcoVadis. Specifically, she recommends companies, "Engage with key suppliers and improve every day. Taking small steps and doing something is better than doing nothing. It's very important to empower everyone along the supply chain to join forces and create synergies."

Rebecca Rauner, Sales Manager CSR & Climate at ConClimate also stressed the importance of tackling supply chain decarbonization together internationally, as the consequences affect every country on this planet. "European-based companies need to address their supply chain and give these companies the chance to be sustainable and in return pay a higher price for their products. Otherwise, sustainability will stop at the border, which makes absolutely no sense," she said.

As a best practice, ConClimate had brought along the young Cologne-based fashion label erlich textil and used its complex textile supply chain to show how it proceeded step by step to record emissions and sustainability challenges along the supply chain. Without transparency and reliable data, it would be difficult to leverage savings and improvement potential. Else Kelm, who attended the workshop on behalf of erlich textil, called for more and stricter regulations from policymakers, particularly to combat the problem of greenwashing. "Business practices have to improve - especially in the fast fashion industry with the big players and their enormous influence. If they don't change, the industry won't change," Kelm said.

Overall, the discussions at the event were characterized by great appreciation for the efforts of large companies and a factual discussion based on curiosity among the approximately 1,000 guests. Transparency, honesty and collaboration in global supply chains that involves all stakeholders is the quintessence of the Climate Transformation Summit 2022.

Yvonne Zwick gives a positive assessment of the B.A.U.M. partnership with THE CLIMATE CHOICE: "Lara and her great team have once again managed to mobilize a gigantic climate community that is inquisitive and hands-on committed. It takes this spirit to really make a difference. Joining forces with other motivated actors leads to faster results and more convincing partial successes on the way to a sustainable transformation. That's all that matters. We are therefore always happy to support the Summit."

B.A.U.M. and numerous stakeholders from the network contributed their experience with the development of climate and sustainability strategies. In addition to B.A.U.M., numerous members were partners and exhibitors at the Climate Summit, including Siemens, HiPP, Telefónica, Henkel, FirstClimate, JARO, ESG Portfolio Management, myclimate, verso, Greenmiles, DQS, KlimAktiv, Sustayn.

Climate Transformation Summit 2022 event website: <https://www.climatesummit.de/>