

Life cycle approaches in Latin American organizations – An approach to identify frontrunners

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LC thinking, methodology, Latin America

Introduction and Goal

- Sustainability is everyone’s new goal
- Companies are big and complex
- A life cycle is complicated and long
- Decision makers require simple and effective metrics
- So, how to have a clear view of how the company is improving in this area?

Method

Step 1: Exclusion Criteria

Available information

- Necessary for assessing transparency and current work

Sustainability policy

- Should be publicly available
- Shows commitment from management

Inclusion criteria

In action

- Changes should be taking place (not just intentions, action!)

Good relations

- No public complaints or serious concerns from relevant stakeholders

Step 2: Assessment Criteria

Scope

- range in which organization accounts for its impacts

Core SM

- Management practices i.e. sustainability policies and KPI’s

Assessment criteria

Upstream Sustainability Management (SM)

- Engagement with suppliers to reduce overall impacts

Downstream SM

- Participation in reducing or mitigating impacts in the downstream

- Score per criterion 0 to 3
- Maximum score 12 points

- Greater score means more life cycle thinking or more scope

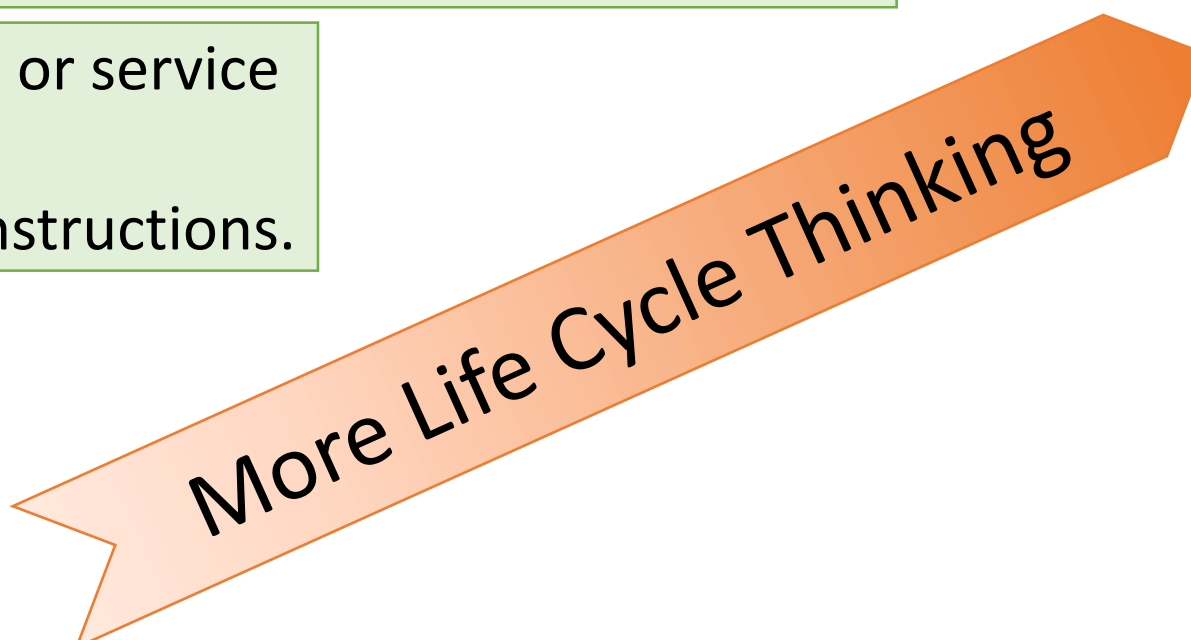
Example: Downstream SM

1: Engages users of product or service to have a more sustainable experience. Example: use instructions.

0: No investment or plan to prevent or mitigate downstream impacts
No information available.

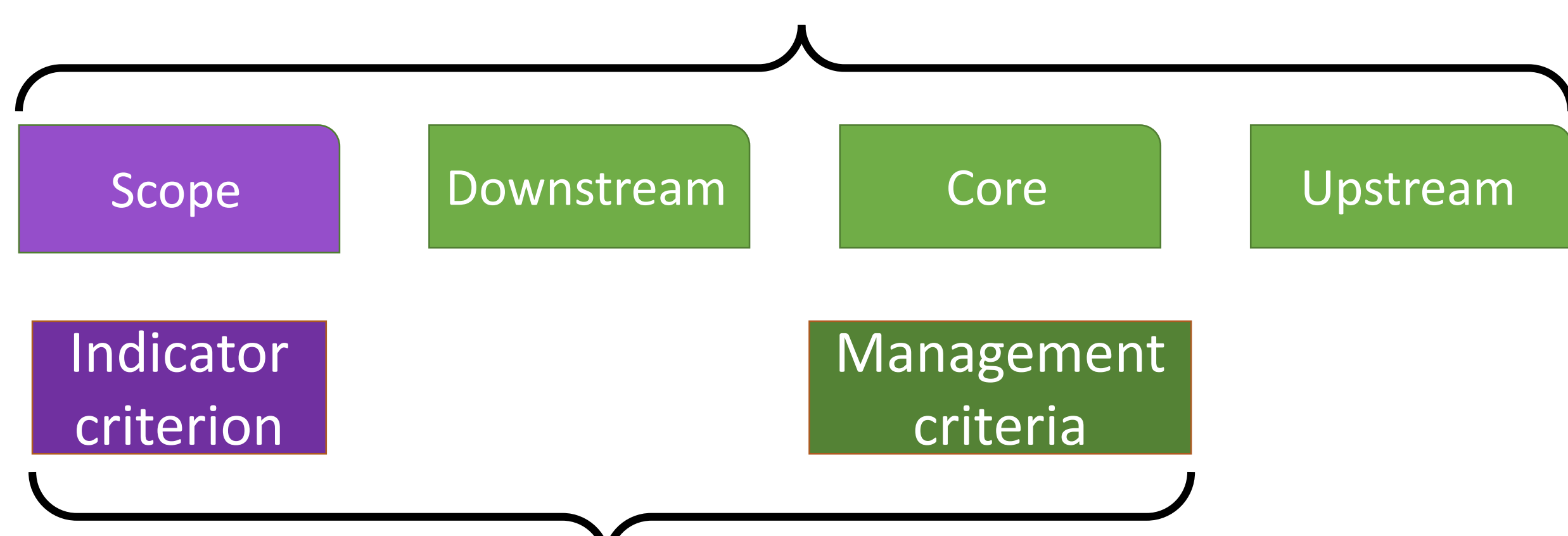
2: Actively engages in recycling products after use or mitigates impacts (Mitigation approach).

3: Designs product(s) to have less impacts on the downstream (Prevention approach)



How does it work?

Add to find total score

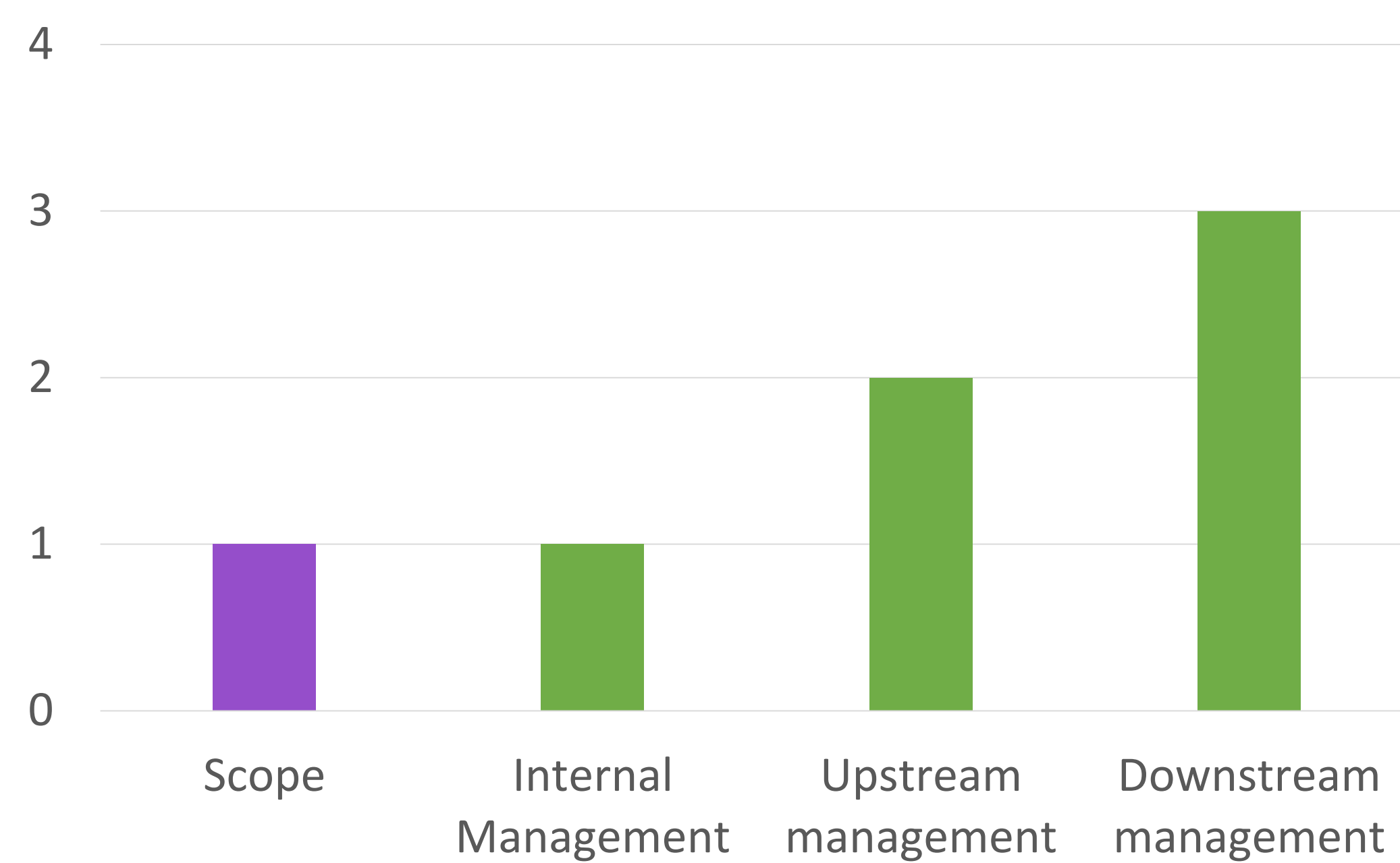


Compare to assess “measure vs. manage”

Results and discussion

Create value: Maximize value from investment in sustainability

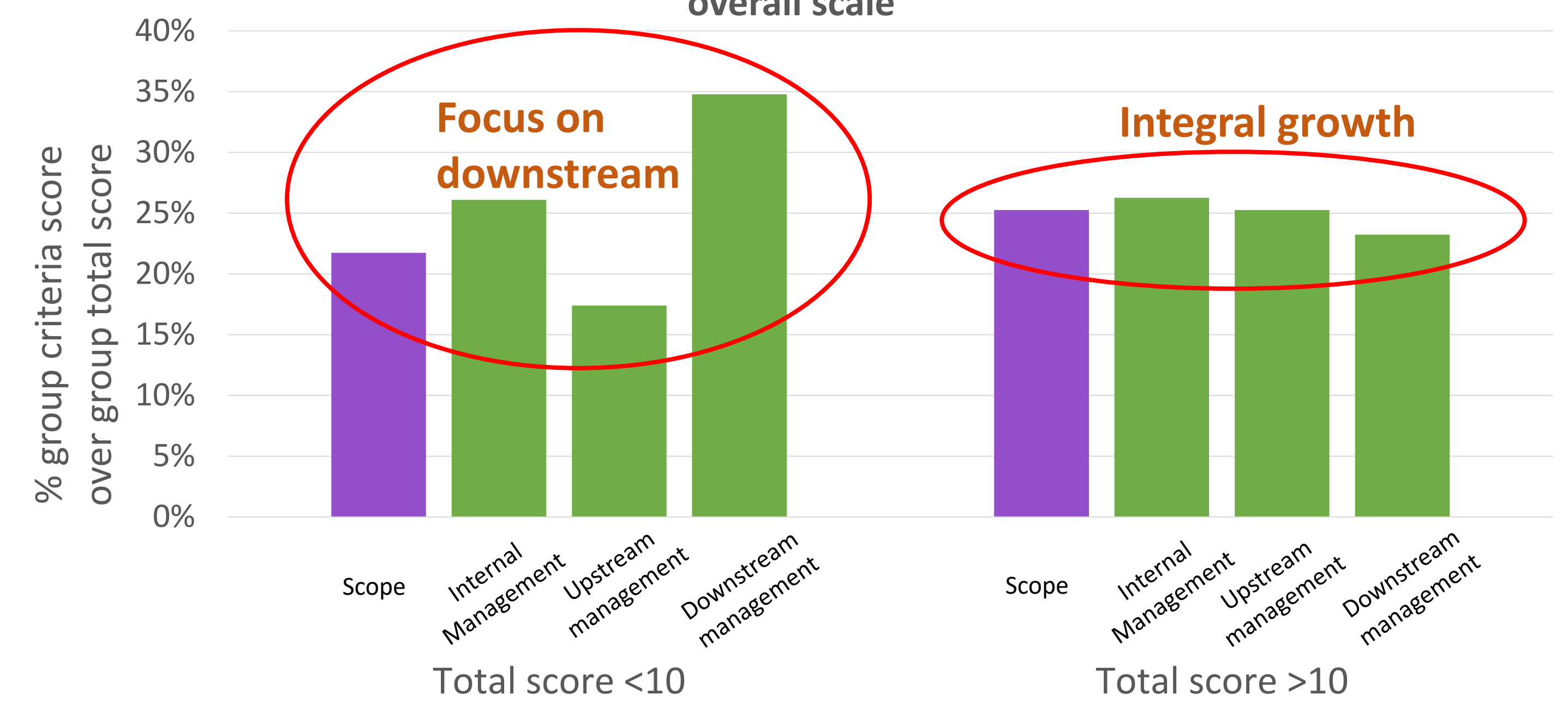
Results of Company A studied
Total score: 7



Intuitive approach to sustainability
Company is managing, but has little insight on potential impacts because it is not measuring them.

Identify frontrunners: Extract best practice and identify trends in industry

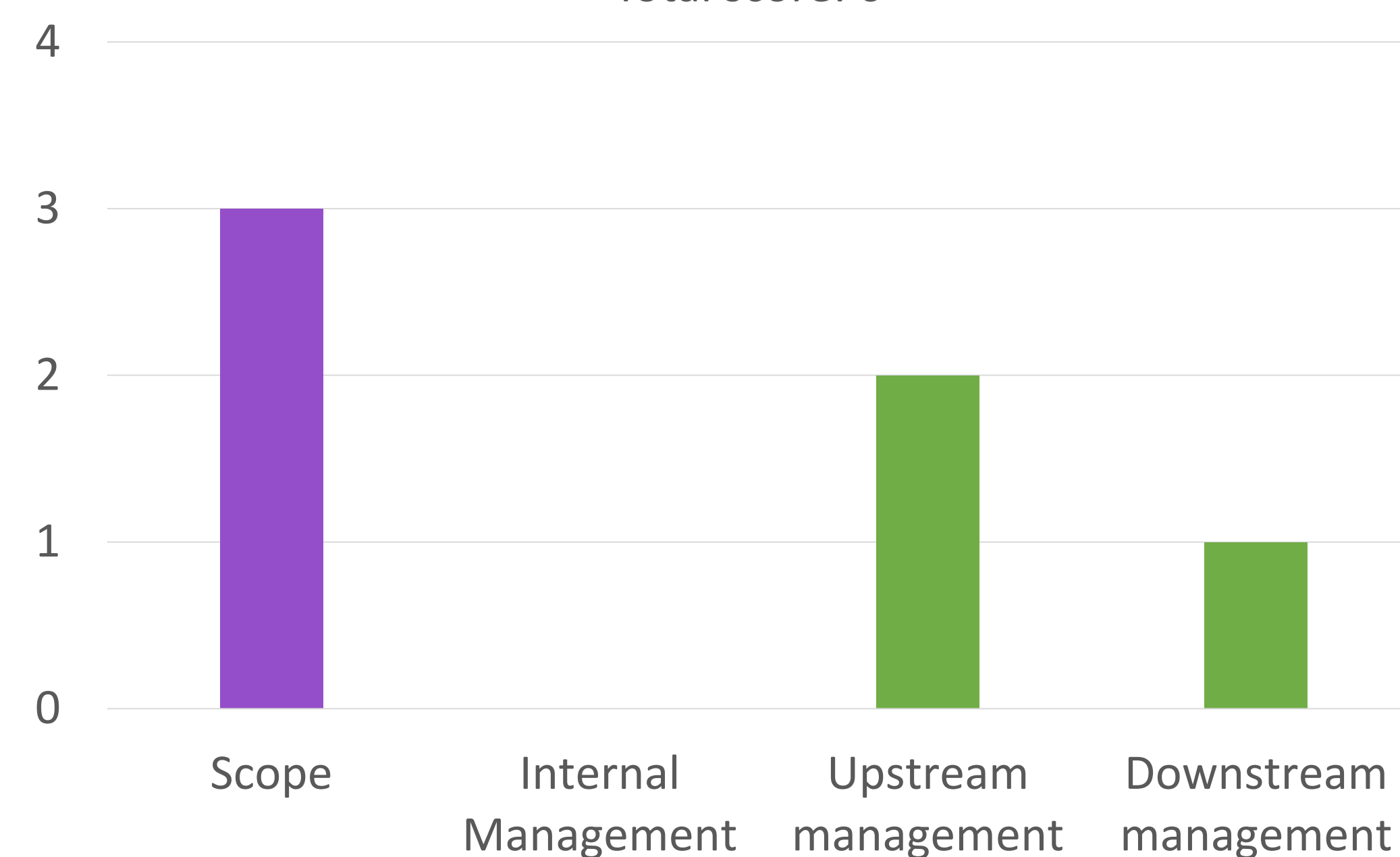
Distribution of actions in companies with less and more than 10 points in overall scale



What do companies focus on first? Companies seem to start their path to sustainability focusing on the downstream, while those with more experience have a more balanced score.

Orient next steps: Aid decision making

Results of Company B studied
Total score: 6



Measured, not managed
Company is measuring, but is missing the chance to improve its own operations.
0: Not even sustainability policy is available.

Conclusions

- Easy application – easy understanding
- Fosters integral growth (in complexity and scope)
- Supports decision making by comparing action and metrics

Next steps

- Apply methodology to greater number of companies (looking for volunteers)
- Adjust to industry needs
- Apply method in other regions.

References

Life Cycle Thinking in Latin America – 12 case studies UNEP 2015

Download this poster and look at the references