

## S.R. CEN-CWA S.R. CWA 16768:2014

# Framework for Sustainable Value Creation in Manufacturing Network

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#### S.R. CWA 16768:2014

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# CEN

# **CWA 16768**

# WORKSHOP

#### May 2014

# AGREEMENT

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English version

## Framework for Sustainable Value Creation in Manufacturing Network

This CEN Workshop Agreement has been drafted and approved by a Workshop of representatives of interested parties, the constitution of which is indicated in the foreword of this Workshop Agreement.

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## Foreword

This CEN Workshop Agreement has been drafted and approved by a Workshop of representatives of interested parties on 2013-12-10, the constitution of which was supported by CEN following the public call for participation made on 2013-05-13.

A list of the individuals and organisations which supported the technical consensus represented by the CEN Workshop Agreement is available to purchasers from the CEN-CENELEC Management Centre. The following organisations officially took part to the development of this CWA:

- Center for Industrial asset management, University of Stavanger
- CLAAS Selbstfahrende Erntemaschinen GmbH
- Elcon Solutions Oy
- FIDIA S.p.A.
- Institute for Industrial Management at RWTH Aachen University (FIR)
- POLIMI, Politecnico di Milano
- Riversimple
- University of Cambridge
- VTT Technical Research Centre of Finland

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- CEN European Committee for Standardization (CEN-CENELEC Management Centre)
- DIN German Institute for Standardization: Secretariat

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The final review/endorsement round for this CWA was started on 2012-12-04 and was successfully closed on 2013-12-10. The final text of this CWA was submitted to CEN for publication on 2013-12-13.

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Comments or suggestions from the users of the CEN Workshop Agreement are welcome and should be addressed to the CEN-CENELEC Management Centre.

#### 1 Scope

The current trans-national manufacturing product and service delivery solutions cannot be sustained in the emerging eco-sensitive business environments, where growing trade volumes and commercial operational patterns impose significant environmental and social challenges on companies and society. More specifically, increase in international trade and transport of raw materials, energy, intermediate products and services, wider range of stakeholders engaging with industry, resource limitations and emphasis on social responsibilities of companies has raised the need for businesses to integrate sustainability more fully into their purpose and processes. The challenges related to sustainability include social and environmental concerns such as labour practices, community involvement, waste and packaging, climate change and partnerships, further propagated by demand, global competition, consumer preferences and behaviour.

Manufacturing includes production and wider industrial activities across the value network that involves interdependencies and relationships amongst stakeholders. The European "Vision for 2020" report calls for understanding manufacturing as a network of complex and development-oriented relations. Hence, the constant evolution of manufacturing networks - coordination and cooperation between the capabilities and configurations - become vital for growth. External (macroeconomic stability, trade polices) and internal forces (process innovations, cost benefits, competition, corporate culture, organisational structure) have both led companies to change production systems and locations to maximize benefits. The expansion of manufacturing operations/activities and the changing business environment, which affects the wider society and environment, highlight the requirement for manufacturers to look for new approaches to manage sustainability impacts effectively – from sourcing and production, to distribution, product logistical support and afterlife.

The increasing demands for sustainability have created new challenges as well as emerging opportunities for society and business. In the current manufacturing setting, much of the opportunity to address novel challenges rests on the ability to manage complex value networks for sustainable value creation. Sustainable value creation is the key contribution of business to sustainability, i.e. to create long-term sustainable (social, environmental and economic) value. However, individual businesses, alone, will not be able to deliver sustainable value and the changes required at the value network level. Collaboration among stakeholders across the network to deliver sustainable value is necessary to develop common approaches for sustainable production and services.

Companies have begun to look for new approaches to understand and manage sustainability at the value network level. If the network partners are not capable of managing the future challenges around regulation, reporting and compliance assurance, scarcity of resources, then the ability to manage business risks and opportunities could be dramatically affected with serious impact to the business. Companies need to be proactive in thinking about the opportunities that the sustainable economy will present. This will need firms to develop new products and markets and optimise their value networks for sustainability.

Thus the CEN Workshop Agreement (CWA) "Framework for Sustainable Value Creation in Manufacturing Networks" covers Good-practices for developing business models, governance models, sustainable solutions and performance management for existing and new sustainable production and service networks.

#### 2 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

NOTE Definitions often attempts to be very precise, thus they may capture the concept in question rather narrowly. By reading several definitions for the same concept, a richer understanding of the concept may be obtained. In the definitions below, the preferred definition is stated, but in some cases alternative definitions are included as notes.

#### 2.1

#### accountability

state of being answerable for decisions and activities to the organisation's governing bodies, legal authorities and, more broadly, its stakeholders

[SOURCE: ISO 26000:2010-11, Guidance on social responsibility] [1]



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