



# IAM Global Conference

London, 13-June-2024

## Achieving Sustainability across the Six Capitals: An ISO TC251 Initiative

**Dr Navil Shetty** PhD, DIC, FIAM  
Member, Task Group 3, ISO TC251  
Chair, IAM India

# Dr Navil Shetty

PhD, DIC, FIAM



**President, Institute of  
Asset Management, India**  
**Strategy Adviser, MSME  
Ministry, Karnataka**

Dr Shetty is the President of the Institute of Asset Management India and Strategy Adviser to the MSME Ministry, Govt. of Karnataka.

After serving for 30-years based in the UK, he retired recently as the Fellow and Leader of the Atkins Group's Global Centre-of-Excellence for Asset Management.

Dr Shetty plays a key role within the Institute of Asset Management (IAM), the ISO TC251 Committee and the BIS committee on Asset Management.

Navil has over 25 years of experience in strategic infrastructure asset management & risk management across several industry sectors. He has provided strategic advice to major asset owners around the world such as MTA New York, London Underground, Network Rail, High Speed 2, Heathrow Airport, Severn Trent Water, RTA Dubai, Abu Dhabi Government, SMRT Singapore, LTA Singapore, MTR Hong Kong, etc.

His key professional activities and achievements include:

- Convenor, ISO/PC251 developing the ISO 55000 suite of standards on Asset Management
- Expert on ISO/TC251 – International Committee on Asset Management
- Convenor, BIS Sub-Committee on Asset Management
- President, Institute of Asset Management – India Chapter
- Institute of Asset Management President's Award Winner, 2013
- Member, IAM Faculty and Chair Knowledge Leadership Group and Member, IAM Council during 2008 –2013
- Played a key role in IAM Projects on AM Excellence, AM Anatomy, SAM+ Tool, and others.
- Member, Steering Group for BS 1192-3 (Asset Lifecycle BIM)
- Member, Steering Group for BS 8536-2 (Soft Landing – AM requirements for major projects)

# Problem Statement and Market Need

- Sustainability is a broad term involving many **facets**, however, much of the debate to date is focussed on the environment and carbon!
- Currently a **siloed** approach is being followed resulting in many **point solutions**.
- There is no common **decision-making framework** and **value criteria**, making it difficult for organizations/governments to **prioritize** scarce resource.
- There is a lack of **consensus** on intended sustainability **outcomes, objectives** and **metrics** as well as a lack of consideration of the vital role that **assets** play.
- There is a lack of reliable and consistent **data** that analytical models rely upon.

# Sustainability and Sustainable Development

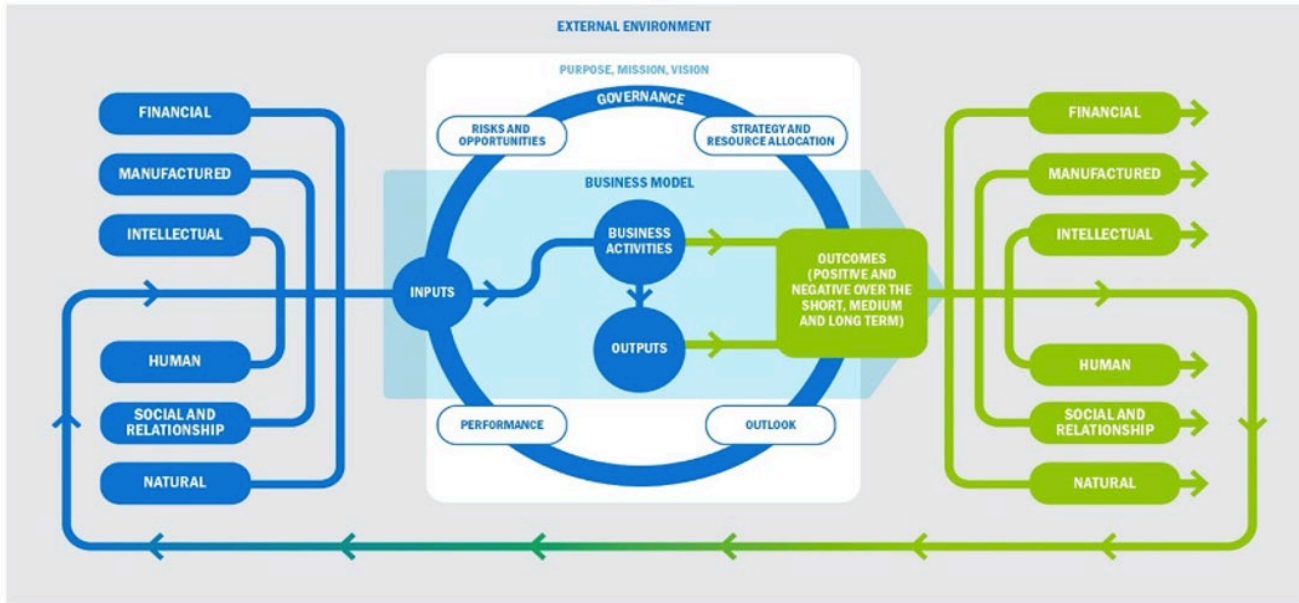
## Sustainability

meeting the needs of the present without compromising the ability of future generations to meet their own needs  
...United Nations

## Sustainable Development

improving the lives of populations around the world and mitigating the hazardous man-made effects of climate change  
...United Nations

# Sustainability, the Six Capitals, and the UN SDGs



The International Integrated Reporting Council (IIRC) proposed the six capitals in 2010; and has been accepted by over 70 countries.

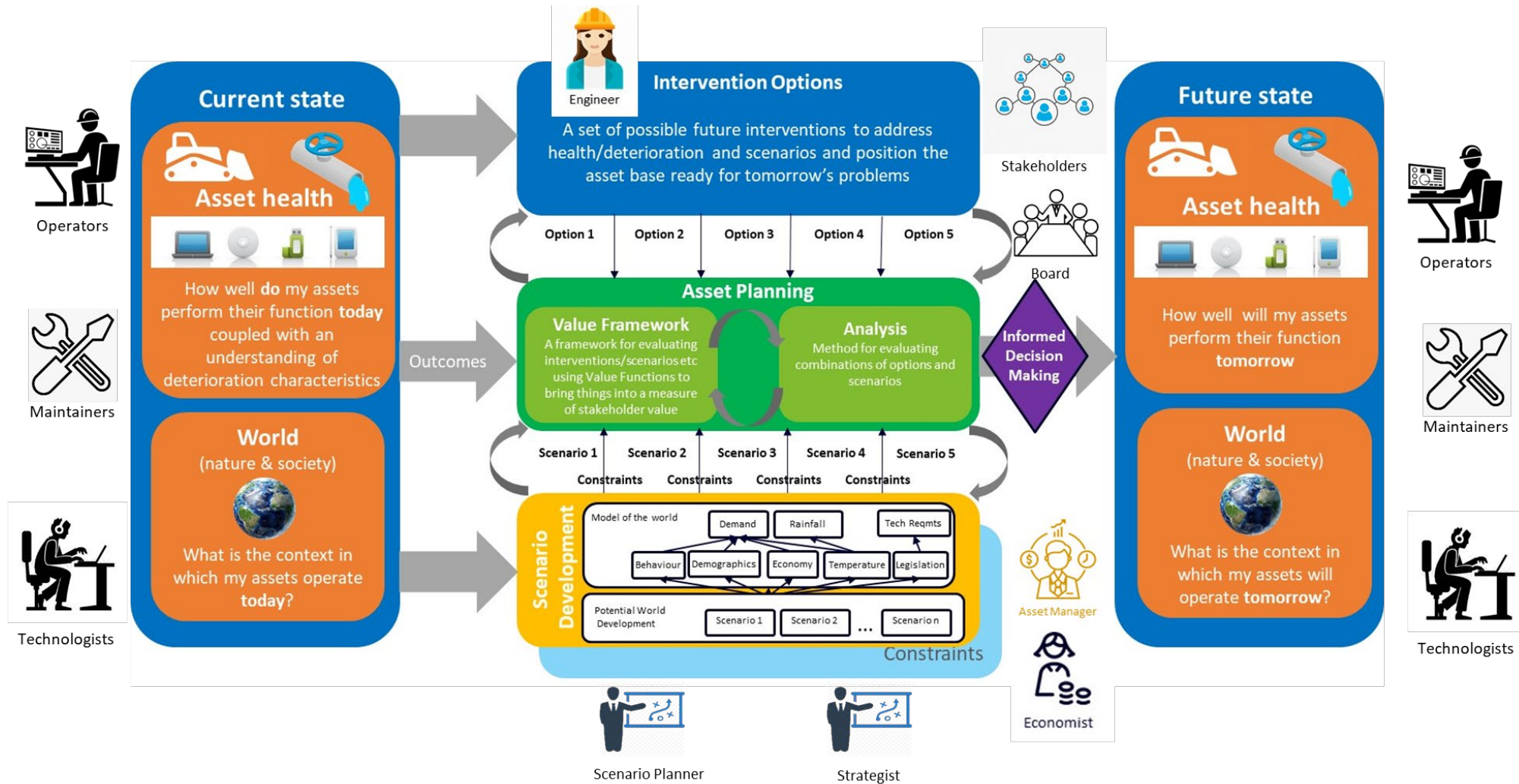
In 2022, IIRC merged with IFRS Foundation.

# Why Asset Management approach based on the six capitals?

- ✓ Sustainability is more than “**carbon**”! The use of the **six-capitals** value framework provides a good basis equitable utilization of resources and maximising value to all relevant stakeholders
- ✓ After taking over IIRC in 2022, the IFRS Foundation is advocating the six-capitals value metrics for measuring and reporting on **value creation, preservation** or **erosion** by organizations.
- ✓ **Assets** make a significant **contribution** to sustainability (e.g. SDGs, GHG emissions, climate impacts, resilience, etc.), **hence Asset Management matters**
- ✓ AM is a **strategic, long-term, integrated**, and an **outcome** focussed approach, which is **essential** to address a multi-dimensional problem such as **Sustainability**
- ✓ AM provides a consistent **decision-making framework** which helps to prioritize/optimize investment considering value outcomes across the six capitals
- ✓ AM provides a **framework** for gathering and providing **reliable data and information**



# UKWIR Six Capitals Framework for Investment Planning



# ISO TC251 International Workshop Agreement Initiative

- The IWA mechanism enables us to respond to urgent market requirements – A quick way to obtain a recognized ISO document for your work
  - Workshop mechanism outside of ISO committee structures
  - Follows procedure to ensure “broadest range of relevant stakeholders worldwide to have the opportunity to participate”
  - Outputs are approved by consensus amongst workshop participants
  - Reviewed 3 years after publication
  - Can be further developed into a Publicly Available Specification / Technical Specification / International Standard
- ISO TC251 has just initiated the process for organizing an IWA on **Achieving Sustainability across the Six Capitals**

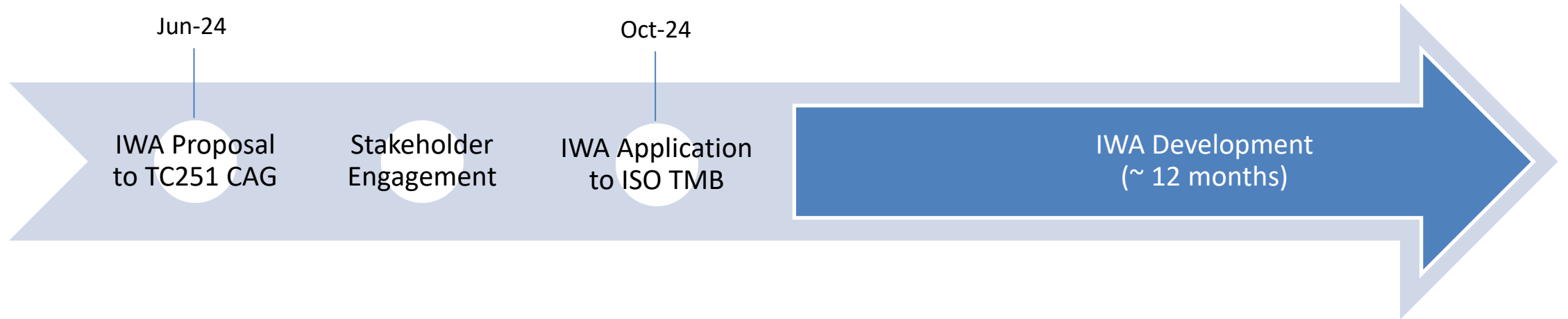


# International Workshop Agreement Process

Step 1	Step 2	Step 3	Step 4	Step 5
<p align="center"><b>Make the proposal</b></p>	<p align="center"><b>Get ISO/TMB approval</b></p>	<p align="center"><b>ISO/CS circulates the details of the workshop</b></p>	<p align="center"><b>Hold the workshop and agree the document</b></p>	<p align="center"><b>Publish the IWA</b></p>
<p>Approach ISO Central Secretariat or any ISO member with your proposal.</p> <p>Your proposal should include:</p> <ul style="list-style-type: none"> <li>✓ Purpose and justification</li> <li>✓ Relevant documents</li> <li>✓ Lists of organizations that may be interested</li> <li>✓ Indications of any ISO member body willing to act as Secretariat</li> <li>✓ An estimate of the number of meetings if more than one is envisaged</li> <li>✓ Details of any proposed special arrangements for distribution of the IWA</li> </ul> <p><b>Note:</b> a <a href="#">form is available</a> to facilitate submitting your proposal for TMB approval.</p>	<ul style="list-style-type: none"> <li>• ISO/CS then circulates your proposal to the ISO/TMB for approval (checking any proposed distribution arrangements with the ISO/Sec-Gen).</li> <li>• The TMB will also formally assign / confirm the ISO member body who will be your secretariat for the project.</li> <li>• The ISO member body works with the proposer to decide full details of the Workshop:               <ul style="list-style-type: none"> <li>✓ Price (if any fee)</li> <li>✓ Time/Date/Venue</li> <li>✓ Format</li> <li>✓ Background</li> <li>✓ Doc supply</li> <li>✓ Process</li> <li>✓ Chair</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• A notification – with the full details agreed at Step 2 – is circulated to all ISO members (by ISO/CS)</li> <li>• ISO member bodies can then circulate the proposal as widely as possible in order to <b>publicize</b> it to potentially interested parties.</li> </ul> <p><b>Note:</b> Any organization or company or individual is allowed to attend.</p>	<ul style="list-style-type: none"> <li>• At the meeting the Chair (nominated in advance) will be confirmed.</li> <li>• <b>During the whole IWA process, the Chair must be impartial and seek to ensure the maximum amount of consensus possible has been achieved.</b></li> <li>• Document is drafted and circulated to the workshop participants.</li> <li>• This can be repeated until the Chair believes that the best possible consensus has been obtained.</li> </ul> <p><b>Note:</b> One possible mechanism is that the workshop participants work online on a dedicated Web site.</p> <p><b>Note:</b> Multiple meetings can take place if necessary.</p>	<ul style="list-style-type: none"> <li>• The final draft of the IWA is sent by the secretariat to ISO/CS.</li> <li>• ISO/CS formats the document – giving it the relevant ISO cover page / logo.</li> <li>• ISO/CS then supplies the document to all its member bodies who can supply it as they see fit.</li> <li>• Any special arrangements for the distribution of the IWA should be put in place here.</li> </ul>
<p align="center"><b>Start - ISO/CS will normally take less than one month to process your proposal</b></p>	<p align="center"><b>Maximum of three months</b></p>	<p align="center"><b>Three months (90 days) advance notice is required before holding the workshop.</b></p>	<p align="center"><b>This stage depends on the scope of the IWA. However, aim to finish in three months or less</b></p>	<p align="center"><b>One month</b></p>



# IWA Proposed Timeline



# Benefits of the IWA

- ❖ Brings **together** Asset Management and Sustainability practitioners helping them to present a **combined position** to enable policy makers and senior executives to make **informed decisions**.
- ❖ Asset management and sustainability **jointly** support decision-making and ultimately **value creation**
- ❖ Help organizations meet **stakeholder expectations** sustainably and ethically, resulting in improved **public image** and **brand recognition**.
- ❖ The promotion of the six capitals framework by IFRC will **expedite** its **adoption** by organizations; and this IWA will be of **great help in meeting this requirement**.
- ❖ Consideration of **sustainability** can **enhance** asset management practices
- ❖ Encourages **innovation** in products and services leading to long-term **value creation** for their organizations
- ❖ Enhance **contribution** to several **UN SDGs**.

# Stakeholders

The IWA will involve the following stakeholder categories:

- ESG CC and the related ISO technical committees
  - ISO external liaison organizations, including ISSB, UN and IFRC.
  - Industry and commerce – SMEs
  - Industry and commerce – large industry
  - Governments
  - Financial community – banks, pension funds and other investment groups, ratings agencies
  - Consumer groups
  - Labour organisations
  - Academic and research bodies
  - Non-Governmental Organizations (NGOs)
- Already identified over **75 stakeholder organizations**; both inside and outside the ISO; and engagement to solicit their participation in the IWA is in progress.

# Key Activities for TC251 IWA Initiative

Over the next 4 months:

- Get key stakeholder groups onboard the IWA initiative
- Prepare a baseline document to form the starting point for IWA deliberations
- Refine the IWA application
- Submit the IWA application to ISO TMB – targeted for Oct-2024



# Come and Join Us

- We need to build-up a coalition of key stakeholders BEFORE we submit the IWA application to ISO TMB.
- Please come and join us in this effort.
- You can contact me on: [Navil.Shetty2@gmail.com](mailto:Navil.Shetty2@gmail.com)