B E S T

boosting environmental and social topics

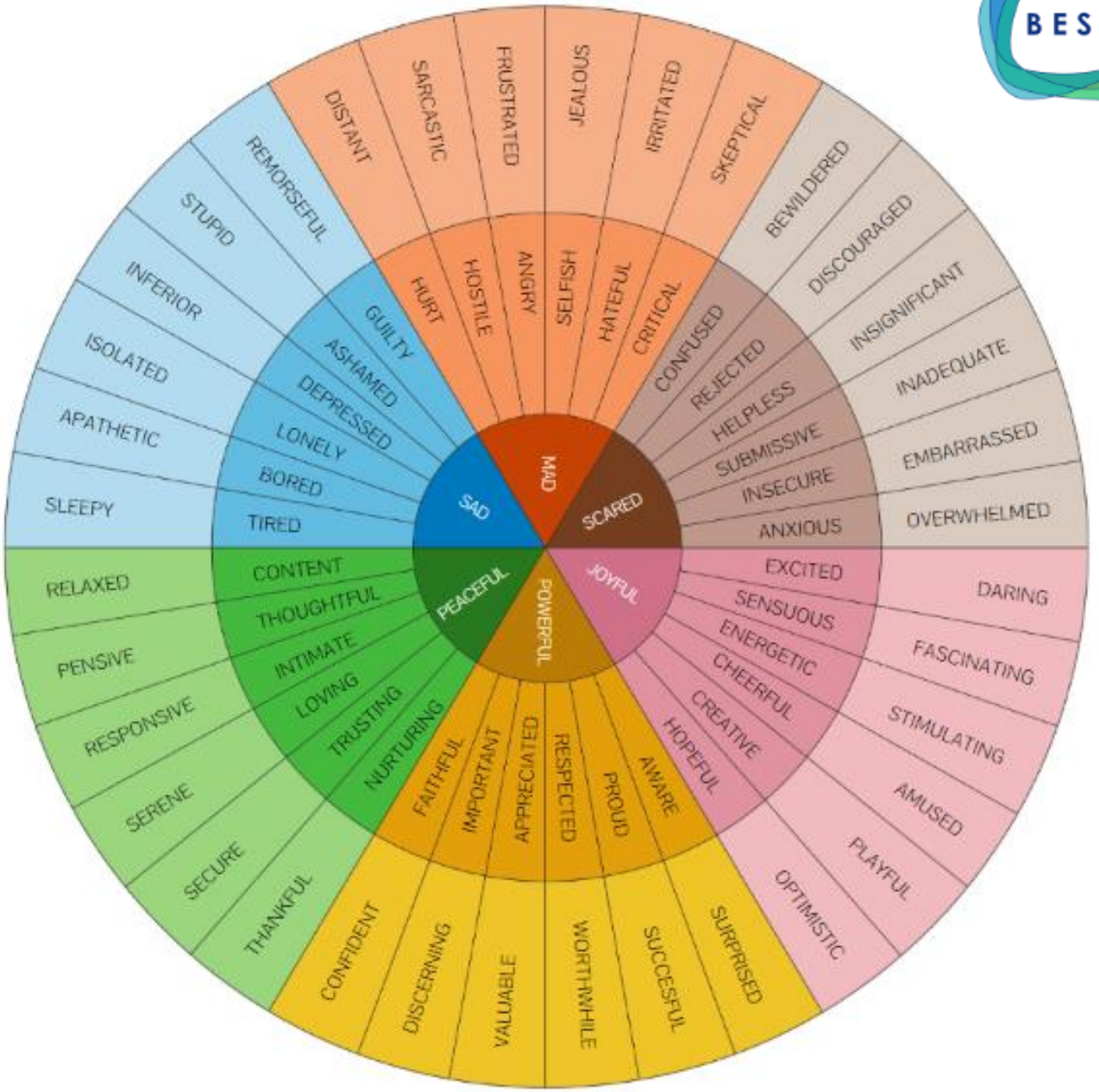
The Sustainable Development Challenge

Progetto BEST – Marta Avesani I Consulente e formatrice – Sostenibilità, CSR, Economia del Bene Comune

With the support of the Erasmus+ Programme of the European Union

Check-in!

- Personal introduction
- How do you feel?
- How are you present, here and now?



How we are going to work together

Over this training there will be:

- some games and we could have fun
- some theoretical inputs (hopefully not too boring!)
- exercises
- always possibility to ask questions!

What we are going to do together

- Major glocal crises and challenges
- Introduction to Sustainability and 2030 Agenda
- Business sustainability

The current situation: major crises and glocal challenges

Experiencing Sustainable Development

THE WOODCUTTER GAME

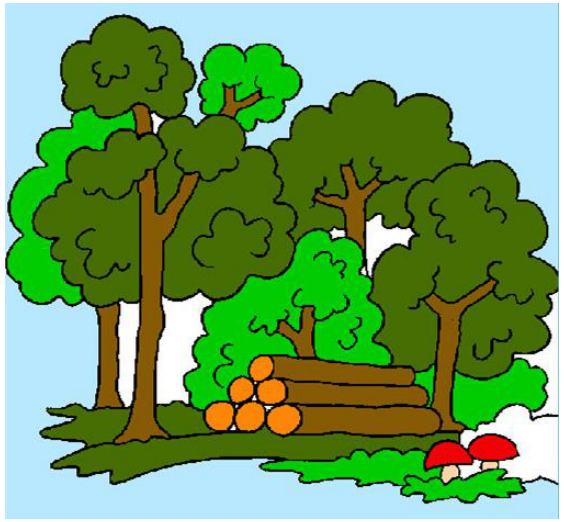
- 4 players = 4 companies of woodcutting
- 10 alberi on the playground
- 1 round = 1 year
- The following year the trees that are still rooted will multiply in the proportion of 1:1 (from 1 rooted tree, a new tree)
- How to cut trees: «grab grab» when the game master shout “Go!”

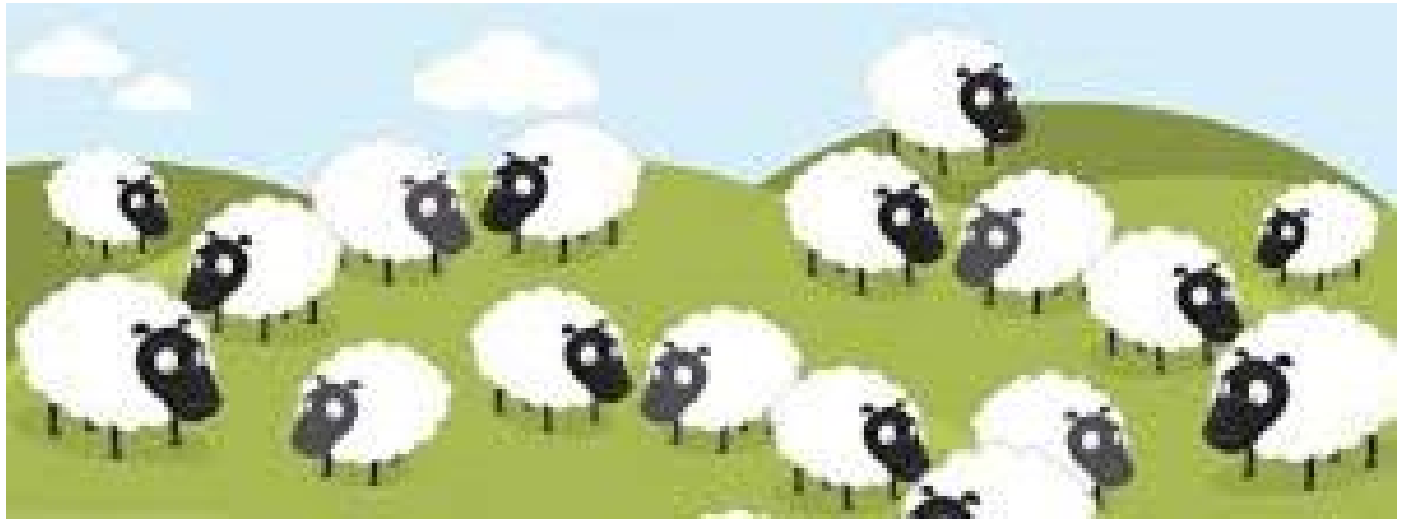
Let’s think about it!

THE WOODCUTTER GAME

- What does this game tell us about the functioning of our Planet Earth and on sustainability from an environmental point of view?
- How the social dimension intervenes during the game?
- What does this game teach us on the economic dimension?

The link between sustainability and the Common Good





Ecological Deficit: demand > supply > natural resource depletion and degradation

Ecological Reserve: supply > demand > natural resource regeneration and increase

Balance: supply = demand > The natural resource regenerates and keep constant

From the Tragedy of the Commons to Managing the Commons

Hardin, 1968

Man is inherently selfish! Solutions:

- Privatisation (second tragedy: exclusion)
- Regulation

The propensity of the human being to cooperate depends on his social context
Solutions:

- Strengthening social capital
- Education

Ostrom, 1990

The economy: an end or a mean?

KREMATISTIKE'
Art of the accumulation of wealth
[Aristotele]

Goal of the economy:
enrichment and protection of self-interest

How:
Extractivism
Profit at any cost Short-termism
Consequence:
The Economy moves human kind away from their environment

OIKOS-NOMIA
Art of good resource allocation to create shared well-being within the Common Home
[Aristotele]

Goal of the economy:
shared well-being creation

How:
Re(generation)
Profit as a mean
Long term approach
Consequence:
The Economy helps human kind to live the relationship with its own environment in a generative way

Many crises, one deep reason

Lack of Common Good

Ecological crisis
We live beyond the limits, environmental degradation

Economic and financial crisis
Profit maximisation and competition
Increase in inequalities

Social crisis (values, meaning)
Individualism
Homo homini lupus
Inability to relationship Lack of empathy

Political crisis
State VS market

Management model crisis
Responsible VS employee

Governance model crisis
Mandate and disengagement
National States and localisms

Many crises, one deep reason

Common Good is highly valued, perceived and lived

Ecological crisis
Planet as our common home
Resources perceived and managed as limited and shared

Economic and financial crisis
Economy as a mean and cooperation Equity, the goal is well-being for all

Social crisis (values, meaning)
Homo homini naturae amicus
Relationship, care, generativity, reciprocity

Political crisis
State, market, community, civil society, social enterprises, active citizenship work together

Management model crisis
Co-creation, cooperation, self-management, shared responsibility

Governance model crisis
Participatory democracy Think global, act local

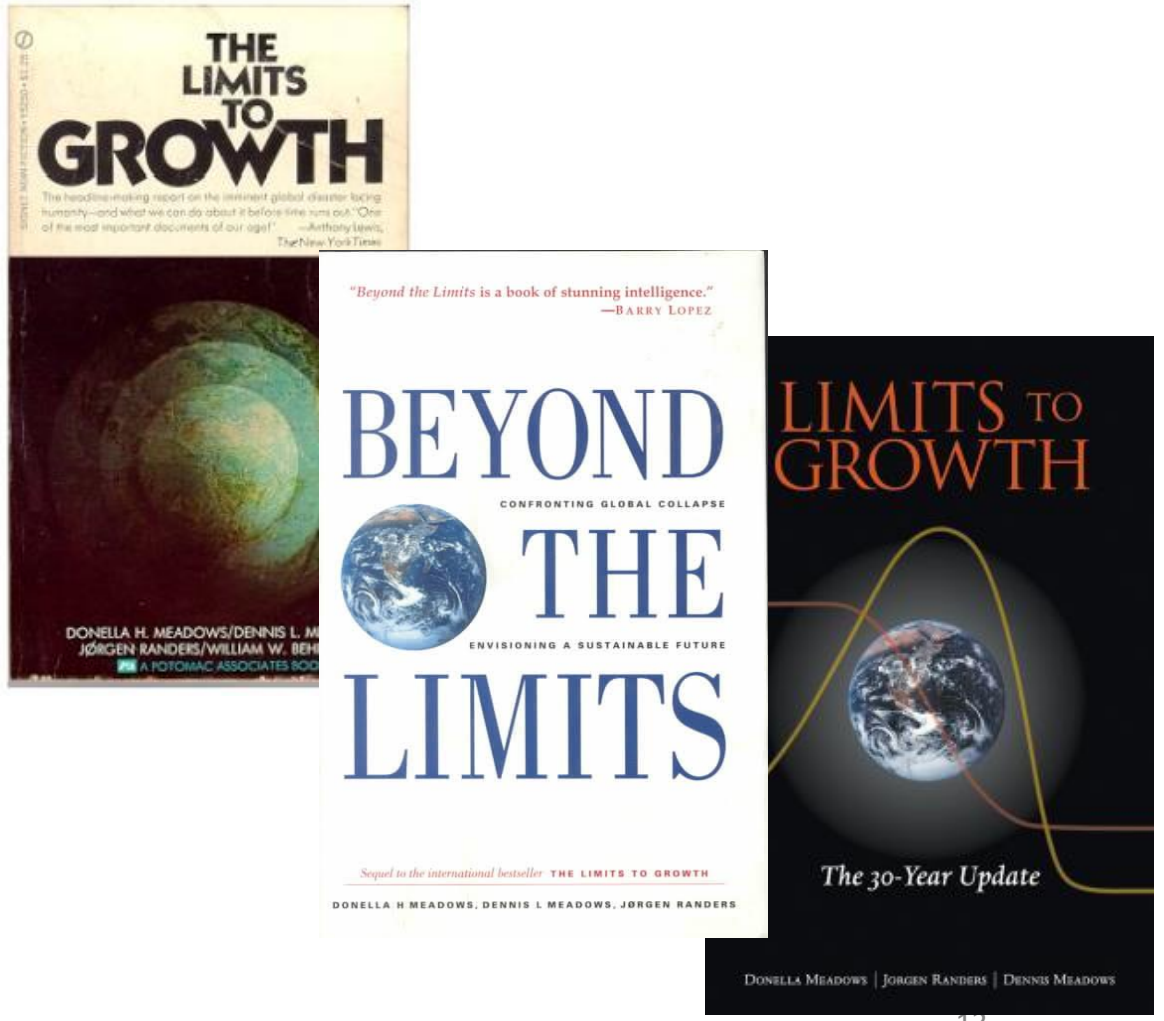
Environmental crisis: a systemic perspective

Causes of exceeding limits in System Dynamics:

1) An **acceleration**, a rapid change in a variable
   Population growth, Economic growth

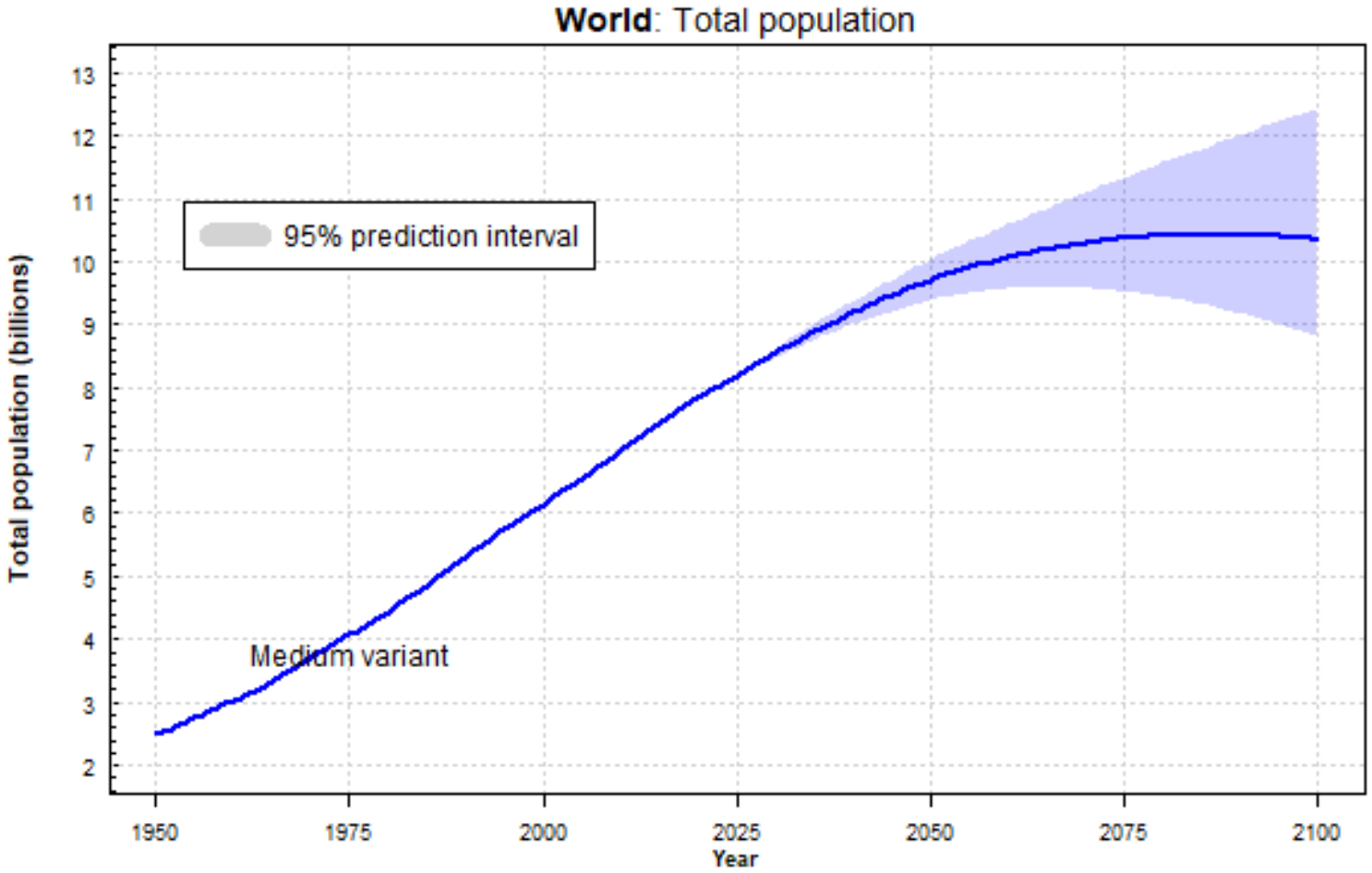
1) A **limit**, the system breaks its balance going beyond it
   Planet Earth has finite resources and limited capacity to absorb human waste

1) A **delay** and/or a defect in perceptions and/or reactions
   Data from scientists, Observable consequences, Decision-making



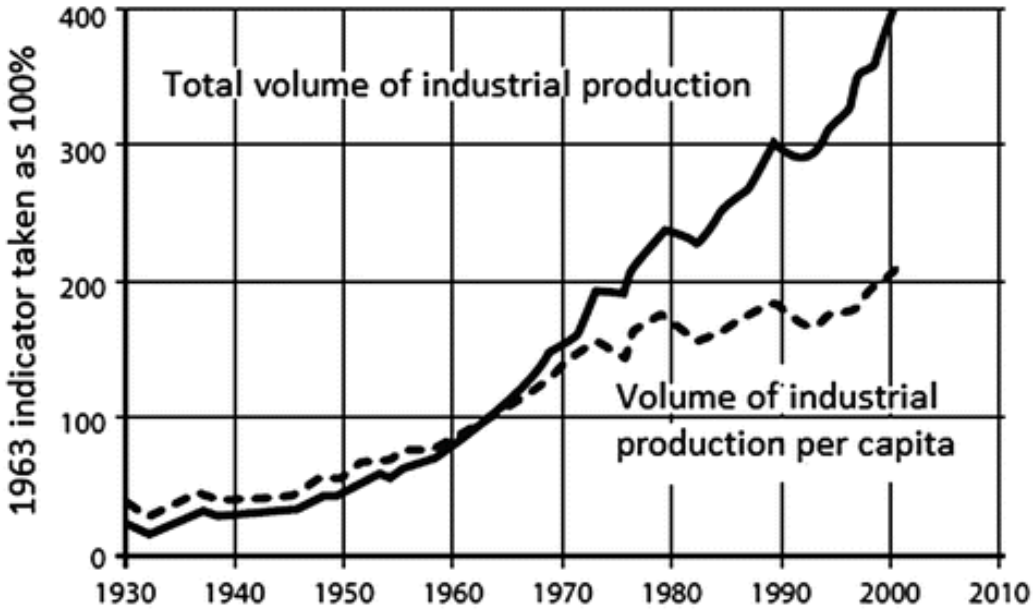
Meadow D. et al., 1972 and followings

Accelerations: Population growth

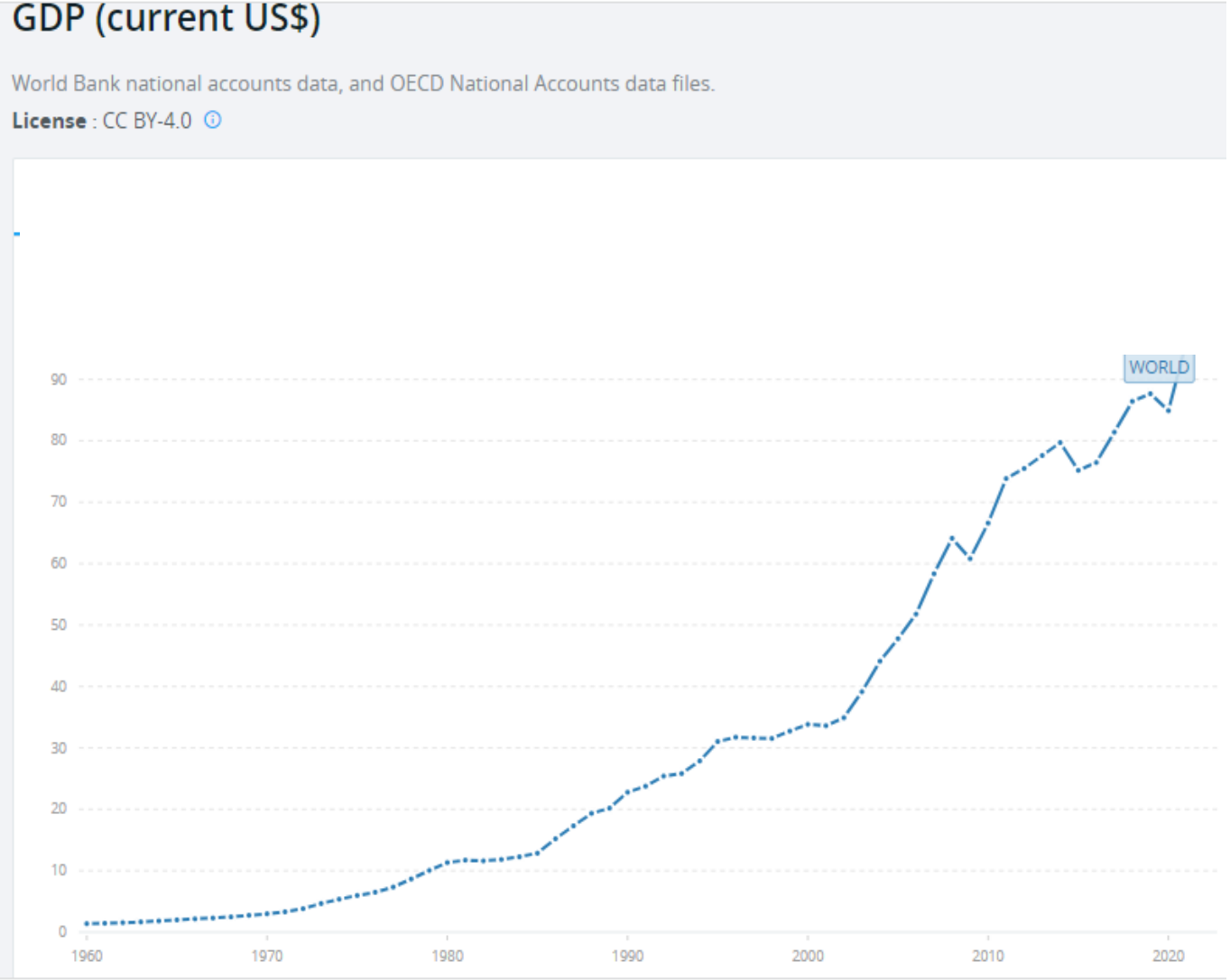


United Nations, DESA, Population Division. *World Population Prospects 2022*. http://population.un.org/wpp/

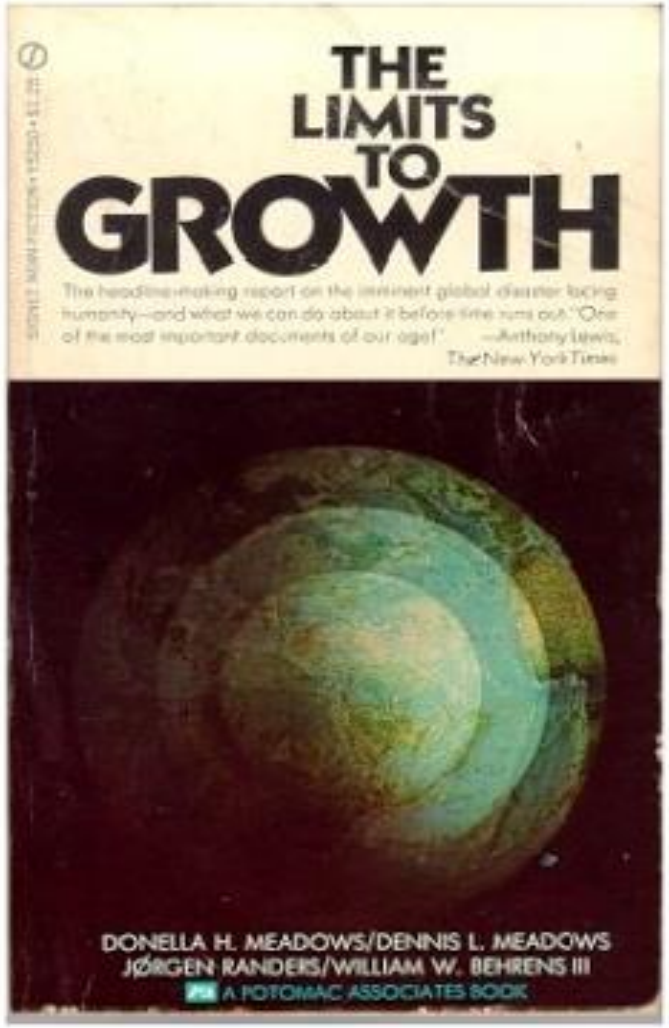
Accelerations: Economic growth

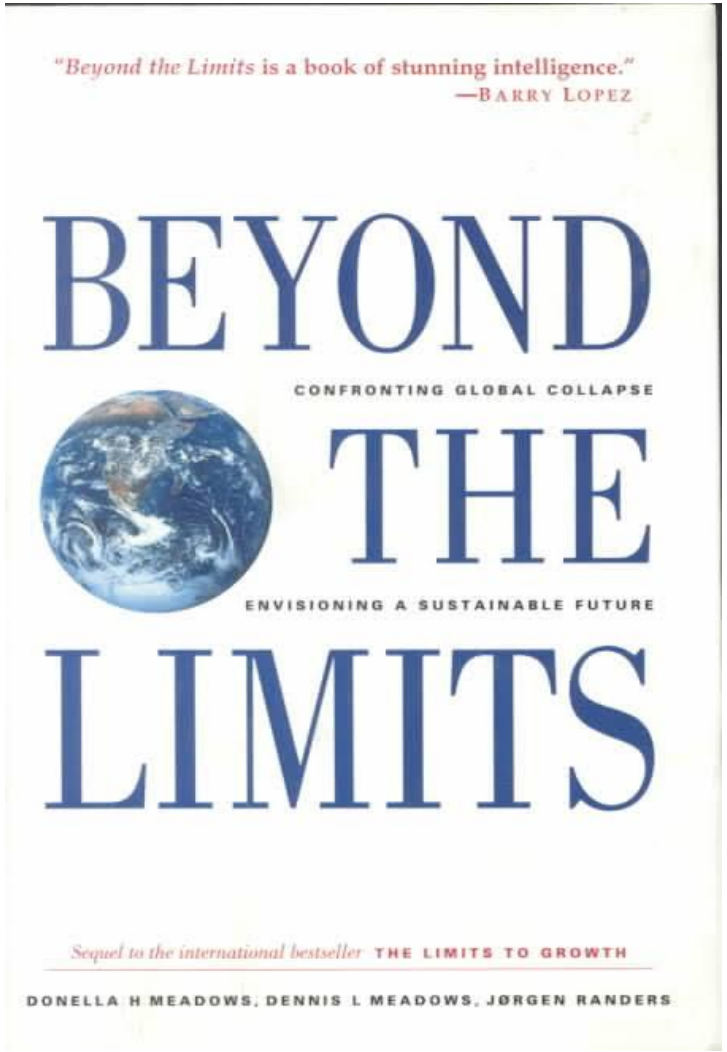


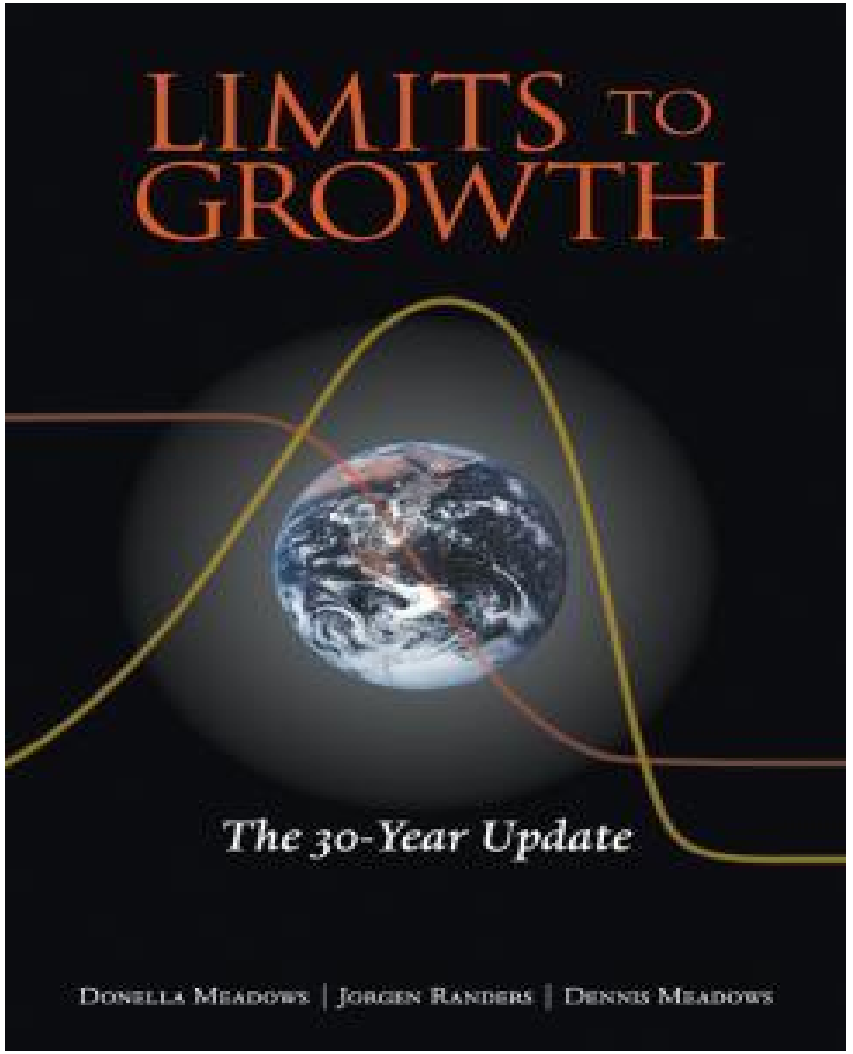
Meadow D. et al, 2004.



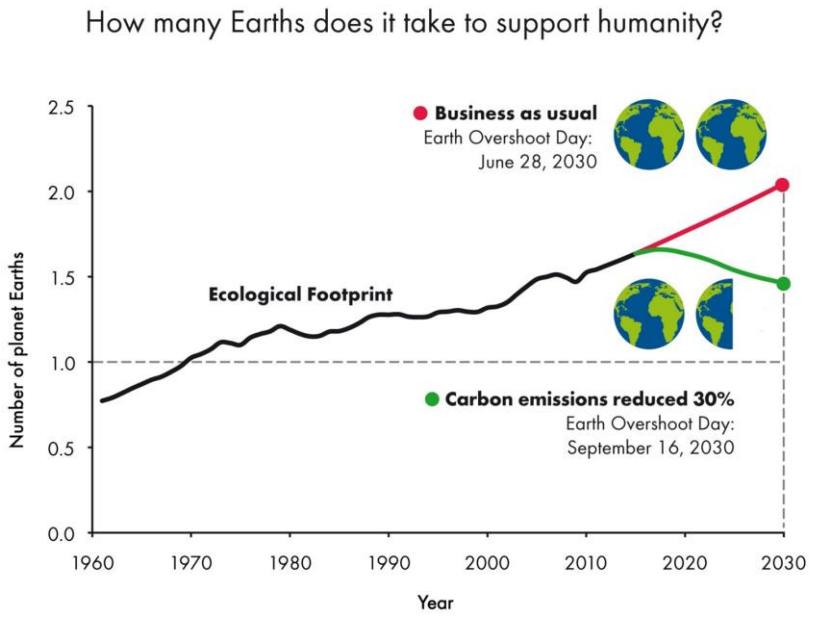
The limits to growth

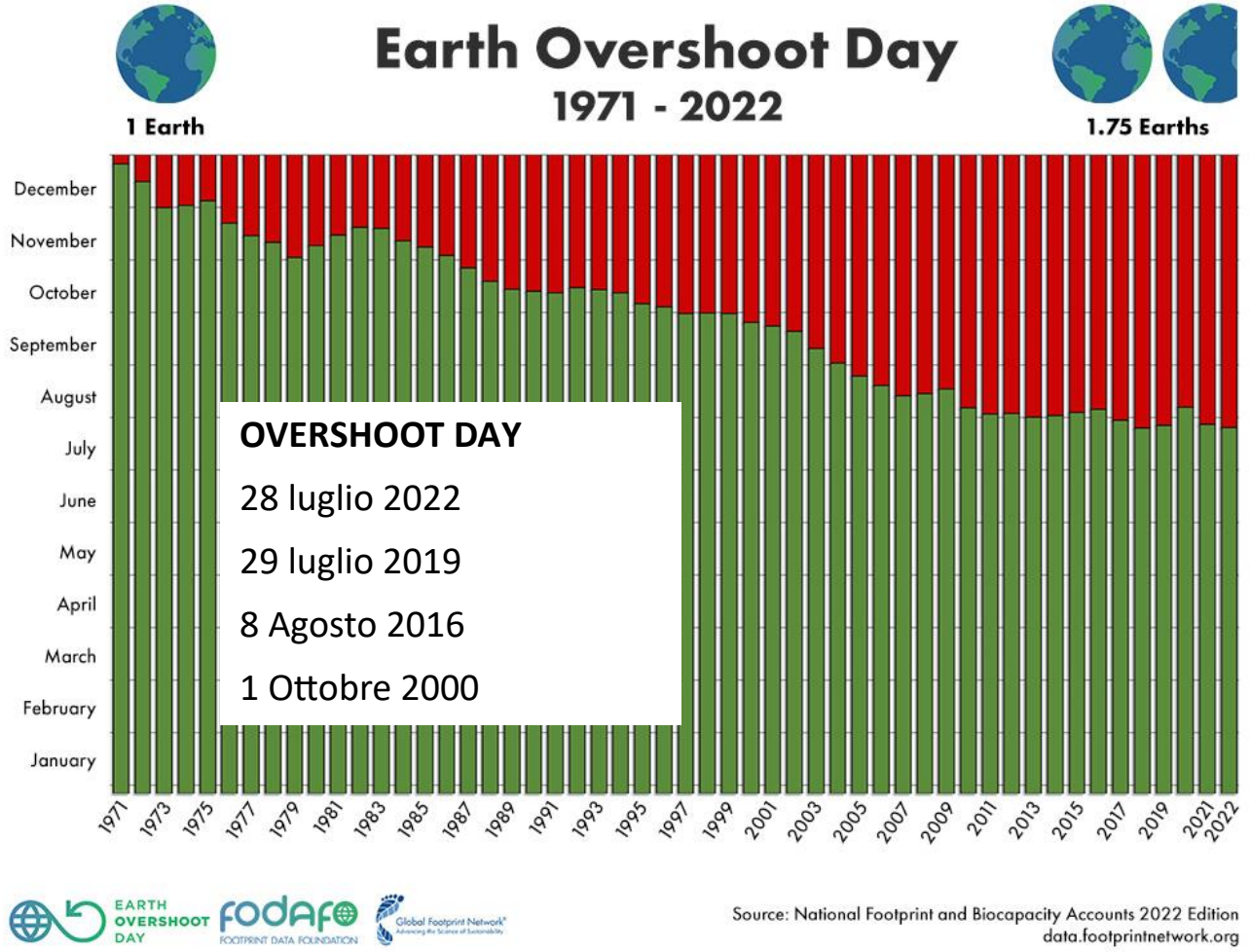






Limits: Planet Earth carrying capacity





How many Planets would we need if everyone lived like you?
https://www.footprintcalculator.org/

https://www.footprintnetwork.org/

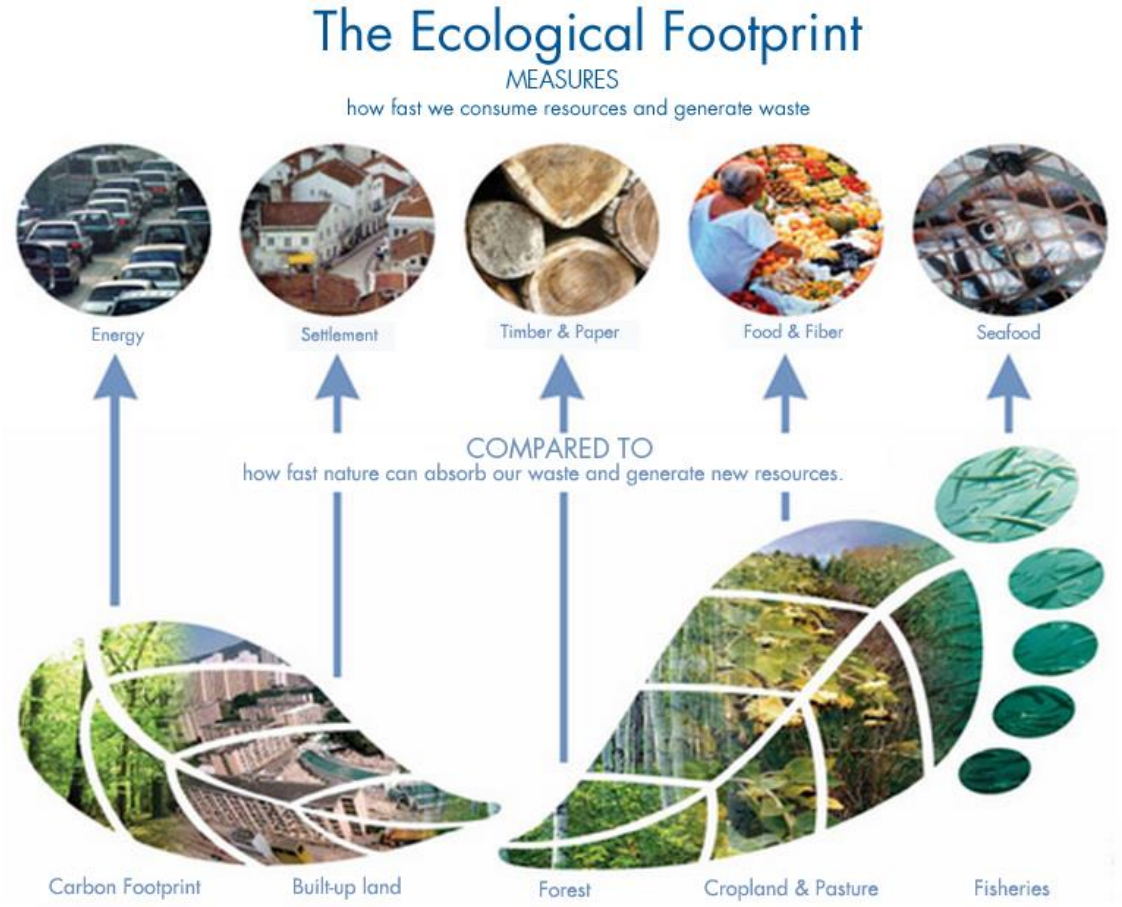
Environmental crisis: ecological footprint

Ecological footprint
the relationship between what humanity asks to the the planet and the planet's ability to provide for it

How is it calculated?
As the proportion of land area that would be needed to produce the natural resources consumed by the population and to absorb their waste

Ecological footprint: the Demand side
Biocapacity: the Supply side
Ecological Deficit = Footprint > Biocapacity
Ecolgical Reserve = Footprint < Biocapacity

Interactive Map

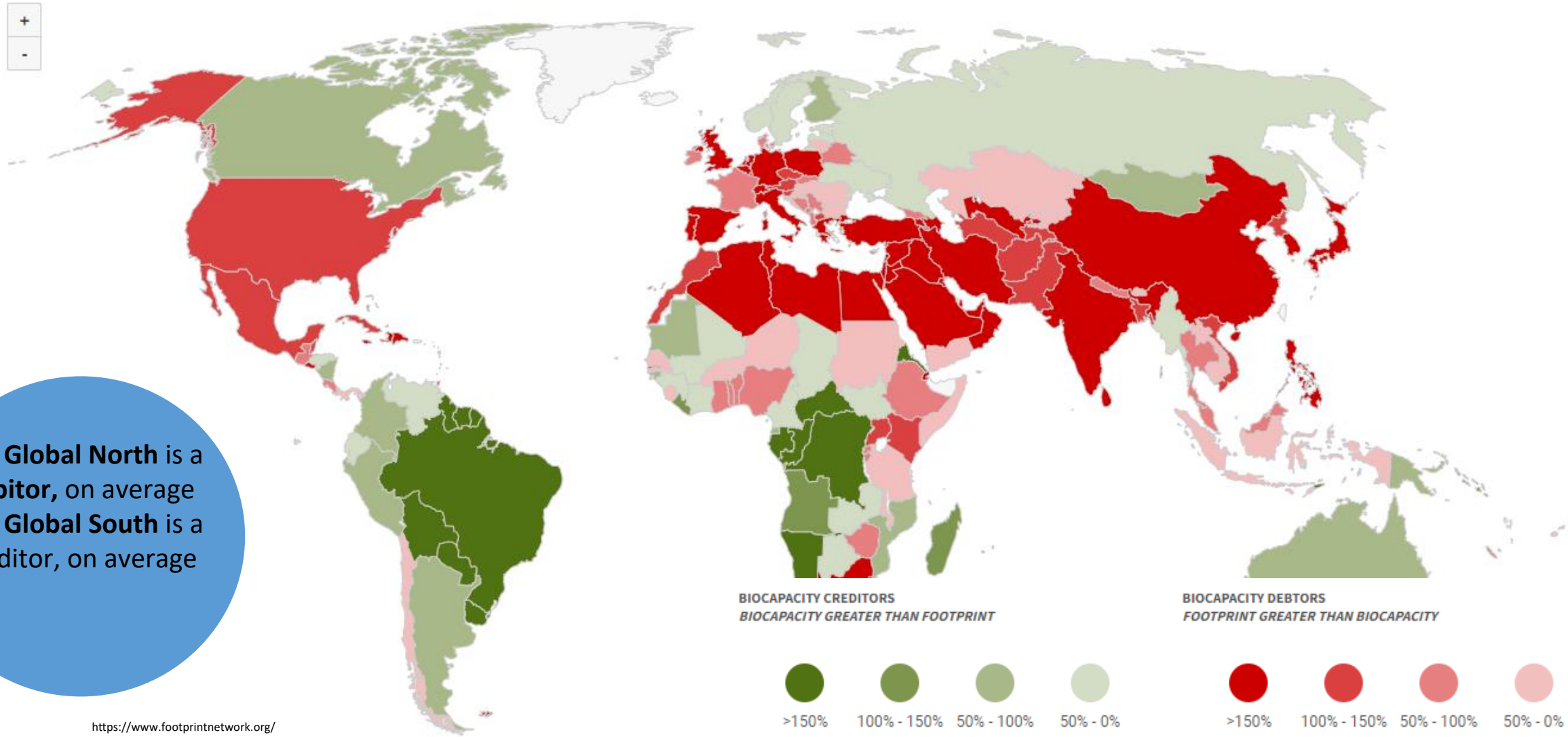


www.footprintnetwork.org

https://www.footprintnetwork.org/

Environmental crisis: ecological footprint

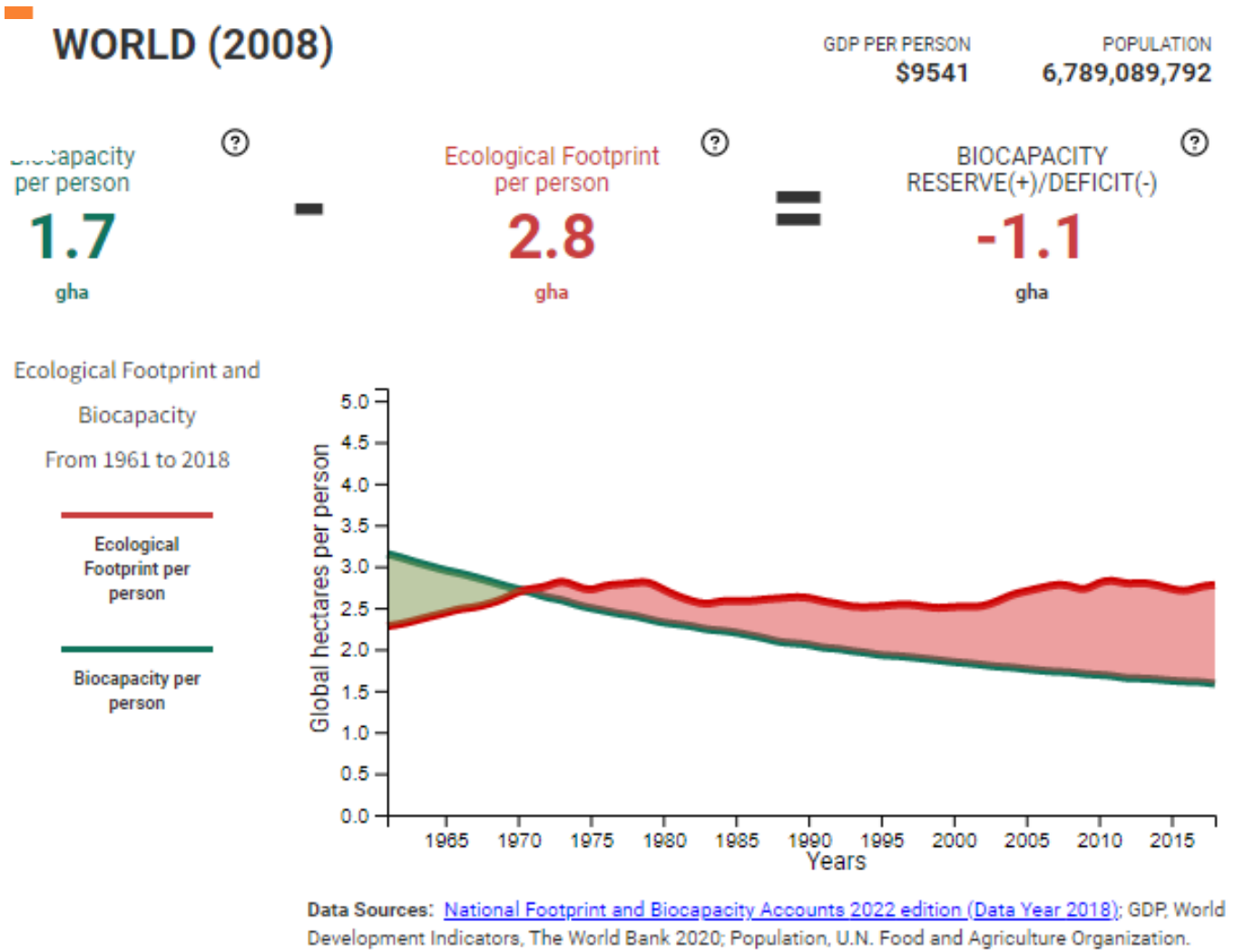
Interactive Map



The **Global North** is a **debitor,** on average
The **Global South** is a creditor, on average

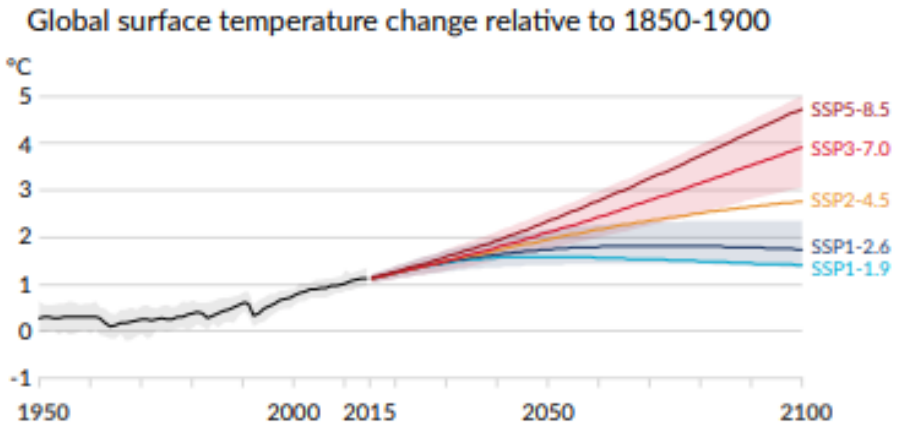
https://www.footprintnetwork.org/

Limited capacity of resource production and waste absorption



Environmental crisis – Global Warming and Climate Change (CC)

IPCC, 2021. AR6 – The Physical Science Basis – Summary for Policymakers.



Approximate global warming relative to 1850–1900 until temperature limit *(°C)**(1)	Additional global warming relative to 2010–2019 until temperature limit *(°C)*	Estimated remaining carbon budgets from the beginning of 2020 *($GtCO_2$)* — *Likelihood of limiting global warming to temperature limit*(2)*					Variations in reductions in non-CO_2 emissions*(3)
		17%	*33%*	*50%*	*67%*	*83%*	
1.5	0.43	900	650	500	400	300	Higher or lower reductions in accompanying non-CO_2 emissions can increase or decrease the values on the left by 220 $GtCO_2$ or more
1.7	0.63	1450	1050	850	700	550	
2.0	0.93	2300	1700	1350	1150	900	

Note: Average World CO_2 emissions per year: 40Gt

The level of increase of the global mean Temperature will depend on:

- World Population Growth Rate (see also slide 14)
- Energy Mix (see also slides 24 and 25)
- Life-styles (production and consumption models)

Consequences of human-caused Global Warming

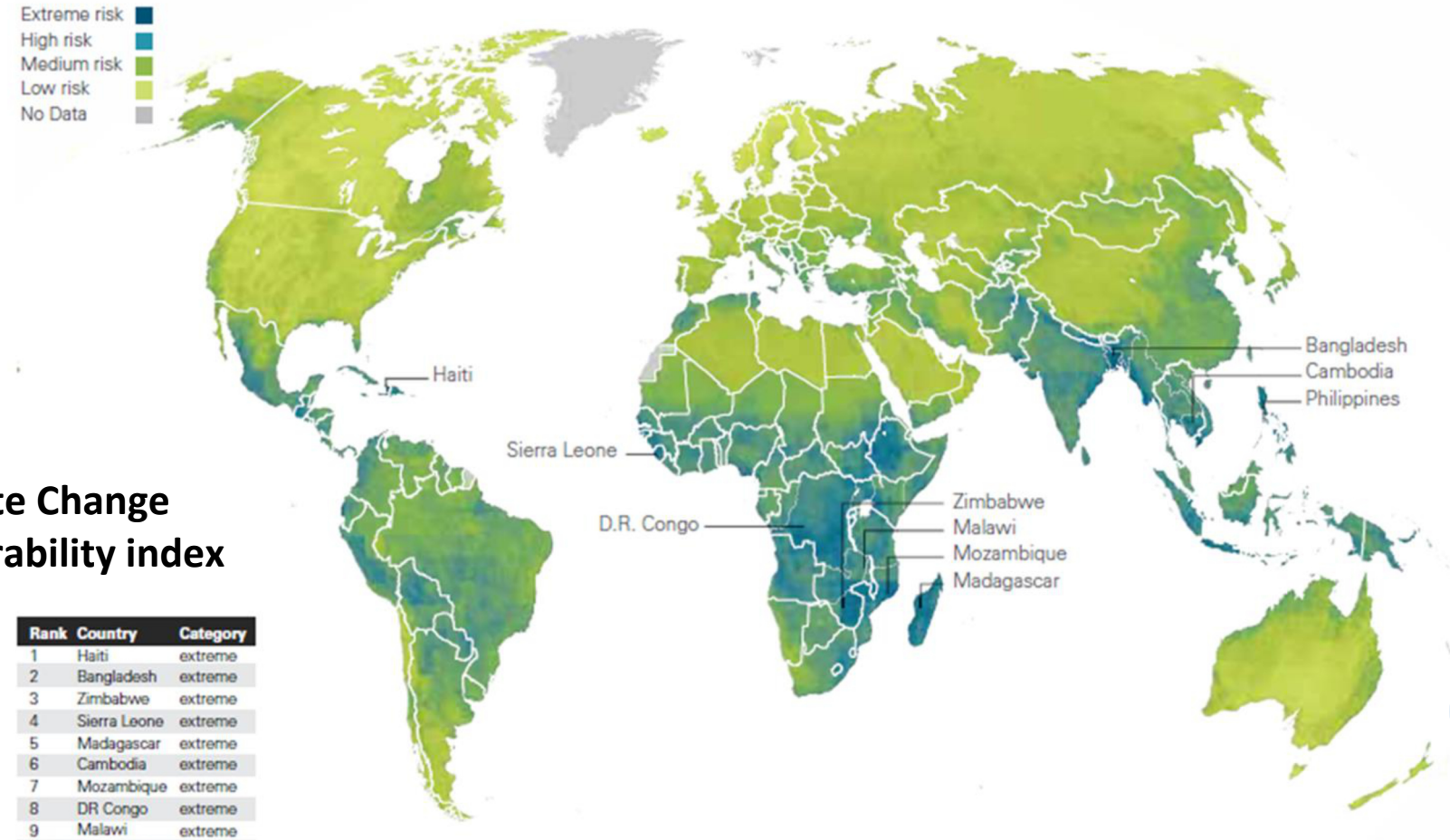
Change in atmospheric phenomena in…

- Frequency
- Intensity
- Geographic area
- Seasonality

Uncertainty (less predictability)

More uncertainty more vulnerability

Climate Change exposition and vulnerability: an example of socio-environmental interaction



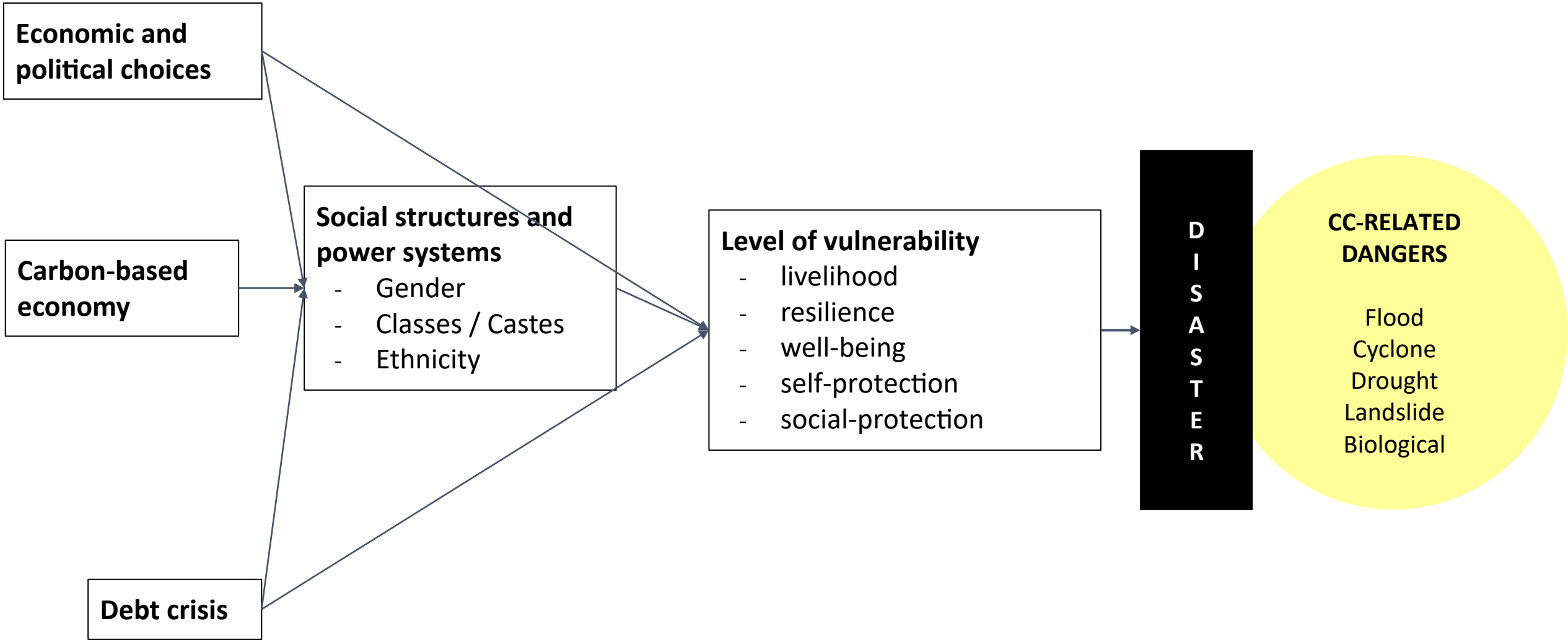
Climate Change vulnerability index

Rank	Country	Category
1	Haiti	extreme
2	Bangladesh	extreme
3	Zimbabwe	extreme
4	Sierra Leone	extreme
5	Madagascar	extreme
6	Cambodia	extreme
7	Mozambique	extreme
8	DR Congo	extreme
9	Malawi	extreme
10	Philippines	extreme

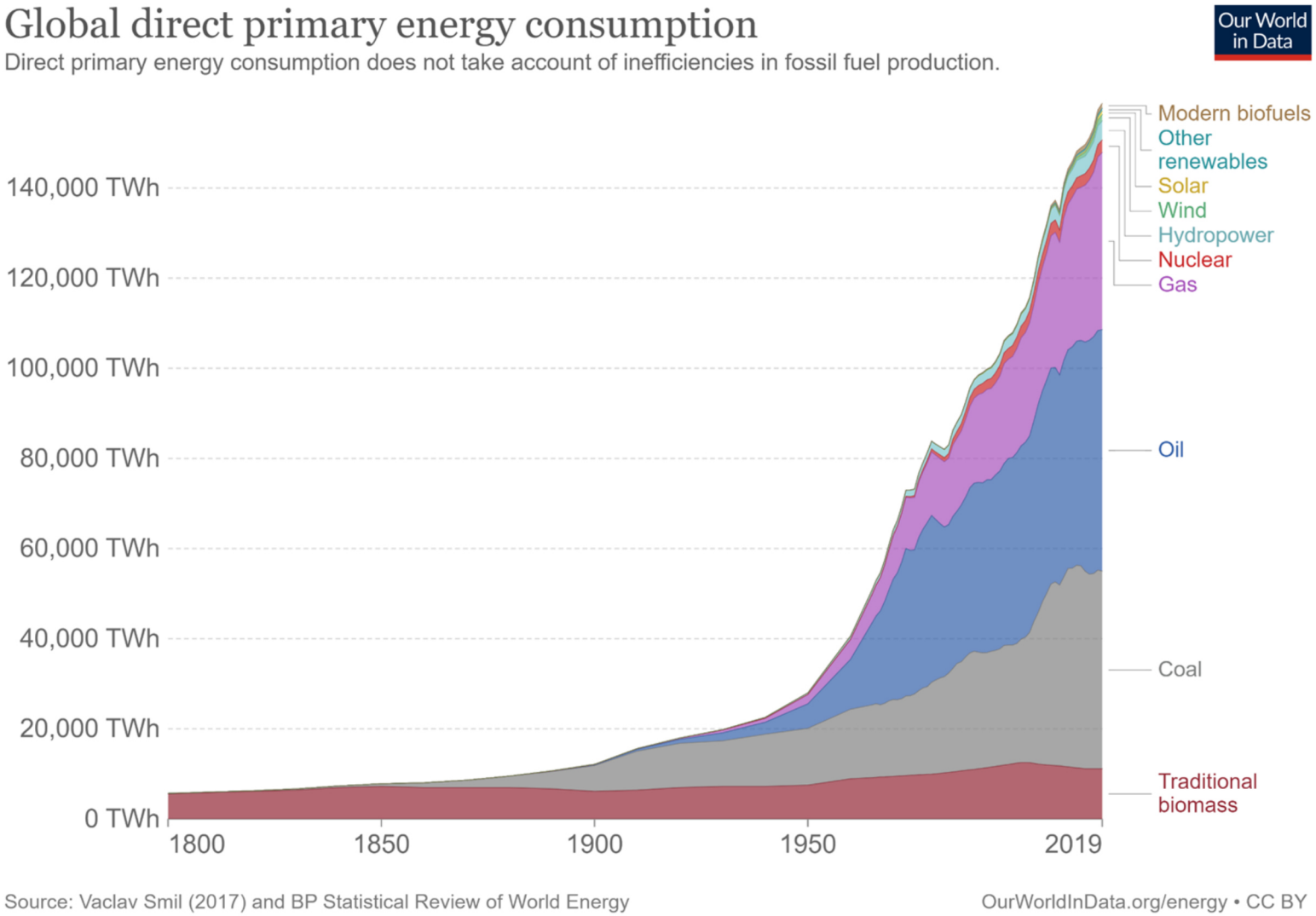
Source: Maplecroft. (2012). The Climate Change and Environmental Risk Atlas. Available at http://maplecroft.com

The **Global South** is **more vulnerable** than the Global North, on average

Climate Change exposition and vulnerability: an example of socio-environmental interaction

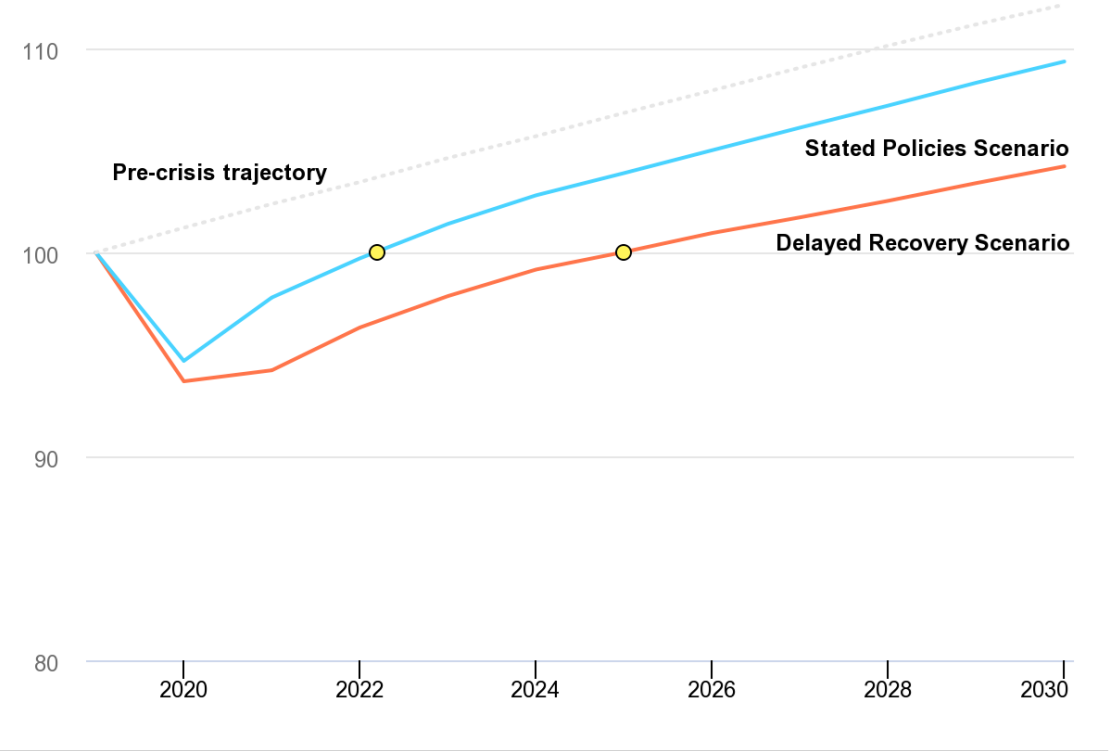


Energy and fuels



Energy and fuels

IEA, Global primary energy demand growth by scenario, 2019-2030, IEA, Paris https://www.iea.org/data-and-statistics/charts/global-primary-energy-demand-growth-by-scenario-2019-2030



Future scenarios: increase of energy need:

- **+ 1 billion people by 2050**
  in order to supply each one with the needed energy **to turn on a 60-watt bulb** we would need 60 000 mega-watt = **20 new coal-fired power plants**
- Primary energy demand will increase by 1/3 between 2010 and 2035 **+20% CO_2**

[International Energy Agency – as cited in KPMG, 2012]

- **90% of the increase will happen in non-OECD countries**

[International Energy Agency – as cited in KPMG, 2012]

Ecosystems degradation

An ecosystem is a group of living organisms (**elements**) that live in and interact with each other (**relationship of interdependency**) in a specific **environment**.

An ecosystem is normally in **balance**. This means that the interactions between elements of the ecosystem contribute to its stability.

A **degraded ecosystem** is no more able to function correctly and it is instable. Therefore, it is no more able to offer its ecosystem services (i.e. natural resources, waste absorption service, biodiversity, humidity, …)

Ecosystems degradation

NATURAL CAPITAL
Air (temperature, solar radiation, winds, clouds, humidity, …);
Water (rivers, acquifers, tides and oceanic streams, water quality, interactions with the atmosphere, flowing of rivers, …);
Land (Geological processes, volcanic activity, topography, albedo, soil processes and properties, …);
Habitat (vegetation and species properties, photosynthesis, biomass production, foodchain, amenity, comfort, …)

FUNCTIONS OF NATURAL CAPITAL	**RELATED RISK OF ECOSYSTEM DEGRADATION**
Source	Depletion (when demand > supply)
Sink	Pollution (when absorption capacity < effuents)
Life support	Underperformance / inability to perform its own function (when systems of the elements are depleted or degraded)
Human health and wellbeing	

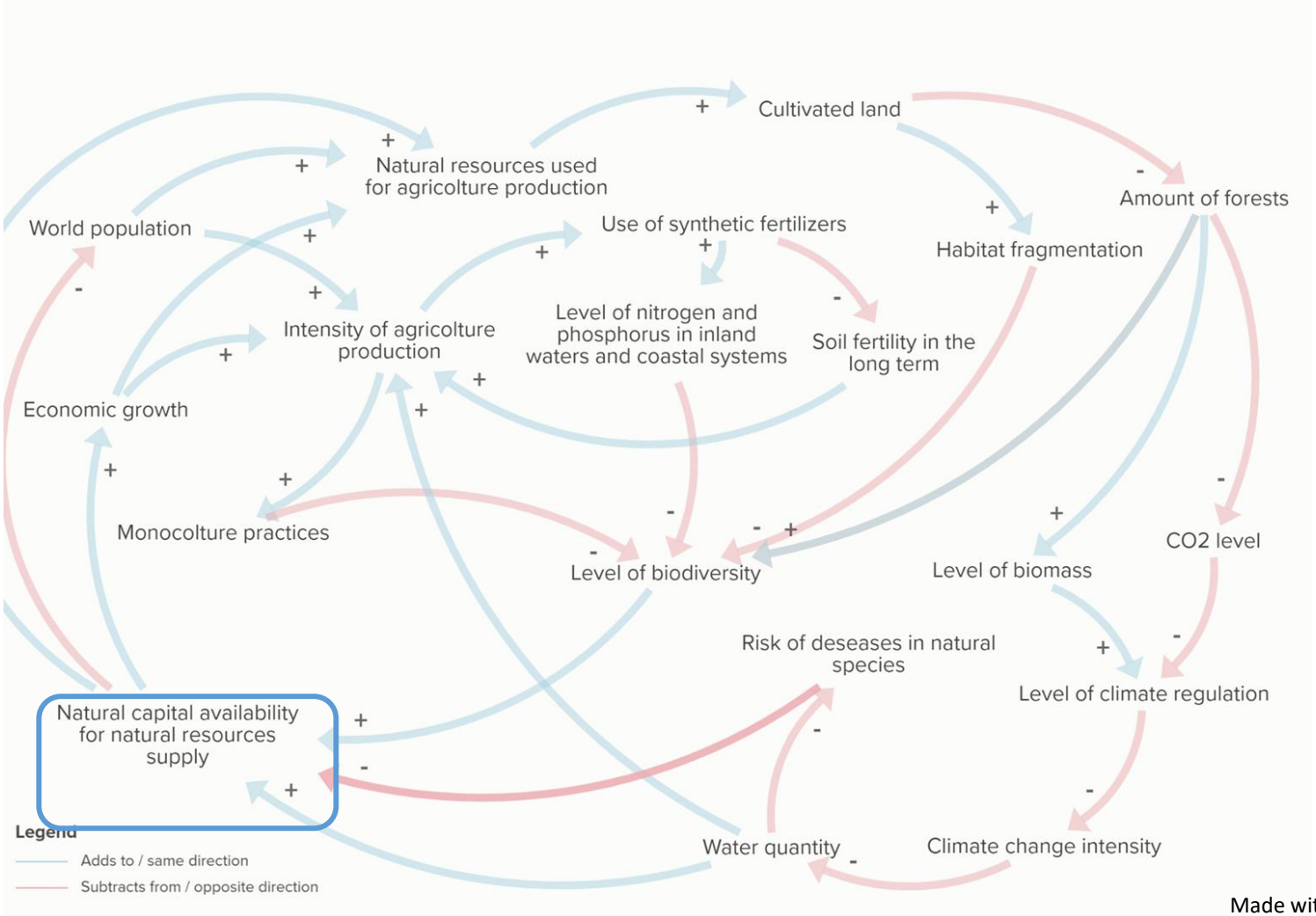
Ecosystems degradation

Millennium Ecosystem Assessment (2000-2005) = audit on ecosystems led by 1.300 scientists and experts and supported by the UN

Main results:

- **1950-2000 human change in ecosystems more rapid and extensive** than ever in order **to meet a growing demand for resources**
- **+ human wellbeing and economic development** VS
  - **more than 60% of ecosystem services are degraded**
  - substantial **loss of biodiversity**
  - more risk for **non-linearity and irreversibility**
  - **exacerbation of poverty** for some groups of people
- **Increased efficiency of use of many ecosystem services offset by increases in the absolute amounts of consumption of services → concerns about sustainability of the supply**
- **Changes in land cover, driven by the way people use land, are the most important single change in terrestrial ecosystems, affecting the supply of services (deforestation, land degradation in drylands, expansion of urban settlements, cropland extent)**
- **Reversing the degradation** of some ecosystems could still be possible under some scenarios involving **changes in policies, institutions and practices that are not currently under way**
- Depletion of natural capital is so severe that t**he ability of ecosystems to sustain future generations can no longer be taken for granted**

Ecosystems degradation and the loss of ecosystem services



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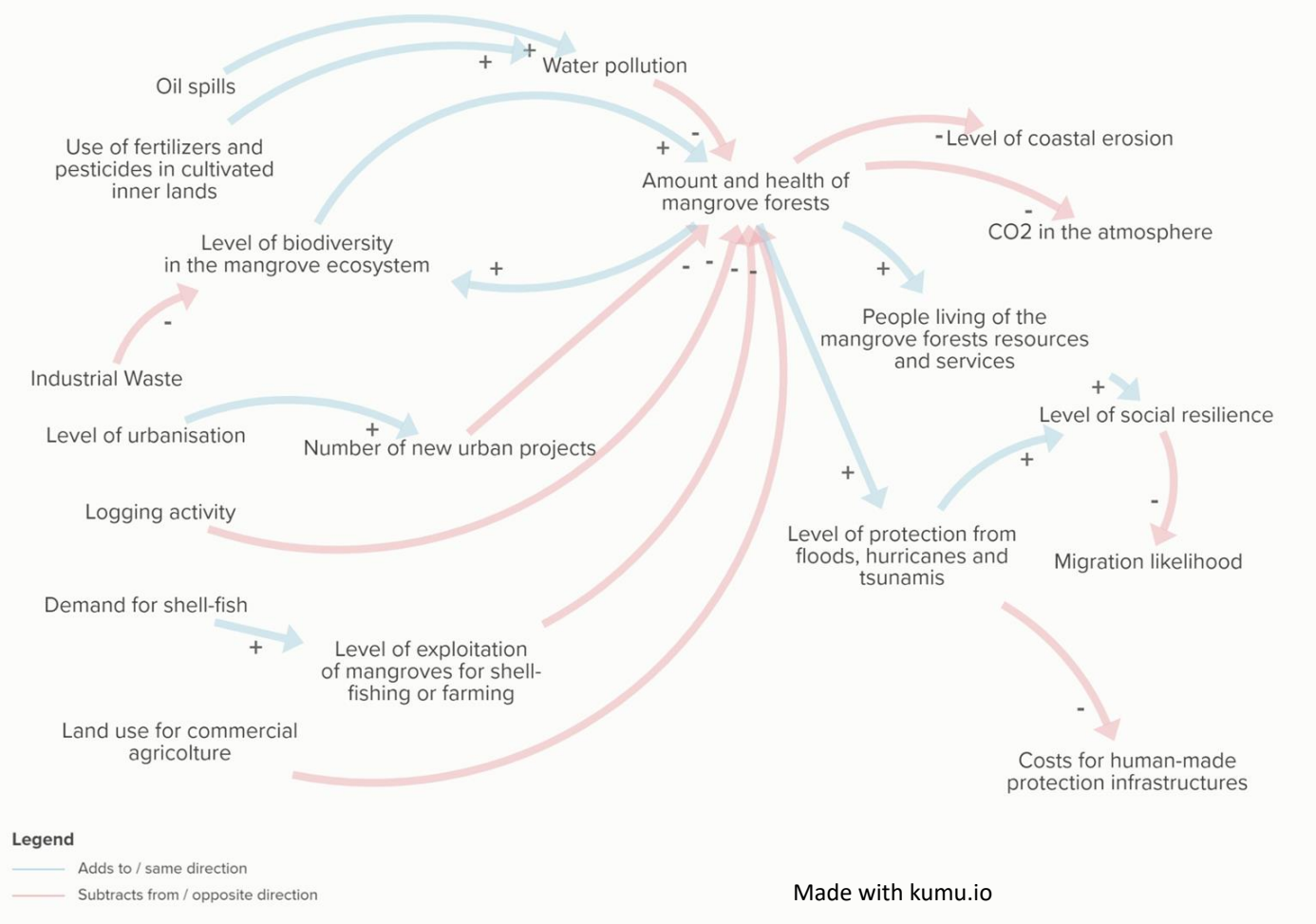
Ecosystems degradation and its systemic impacts I Mangrove forests



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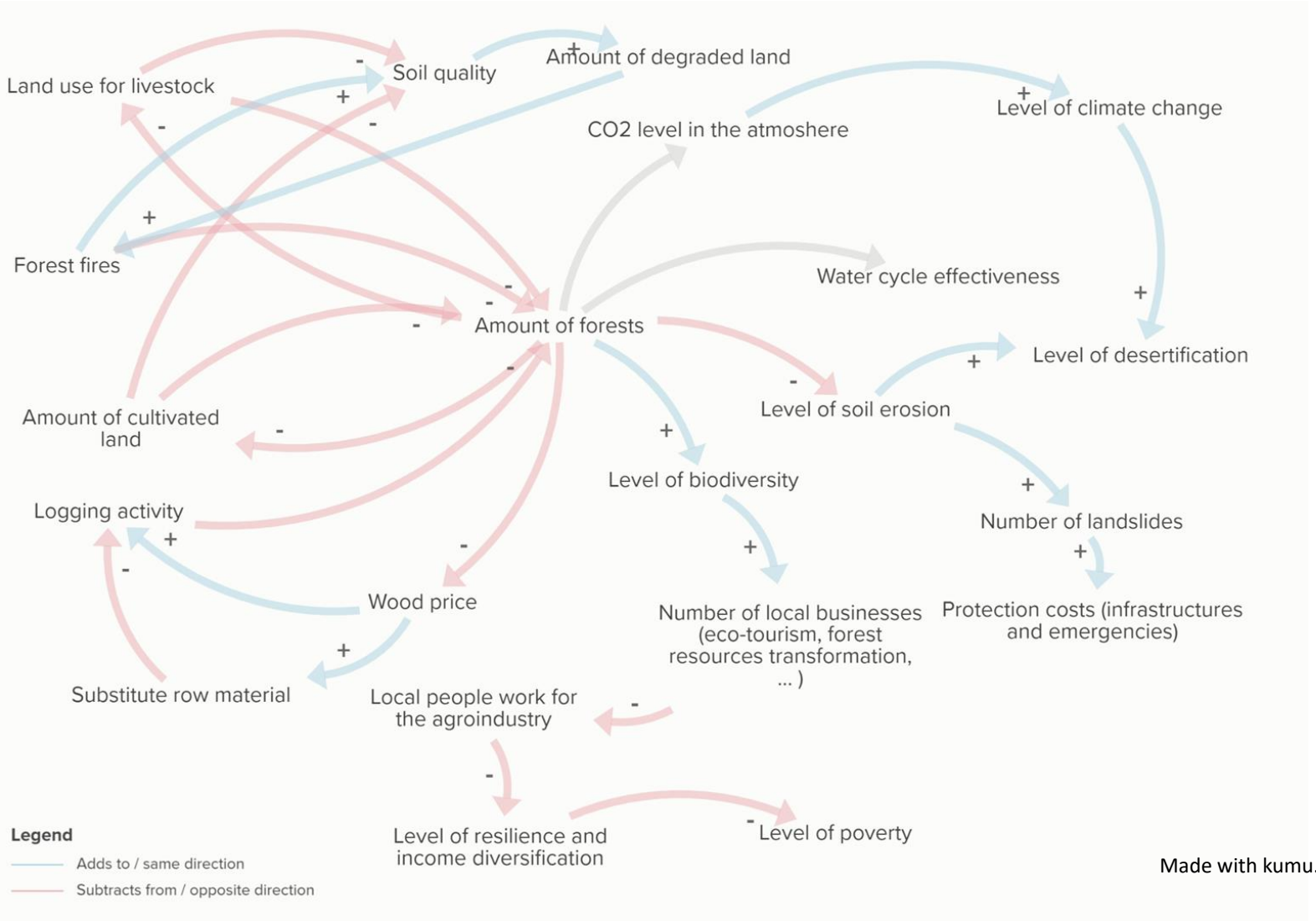
Ecosystem degradation and its systemic impacts I Deforestation



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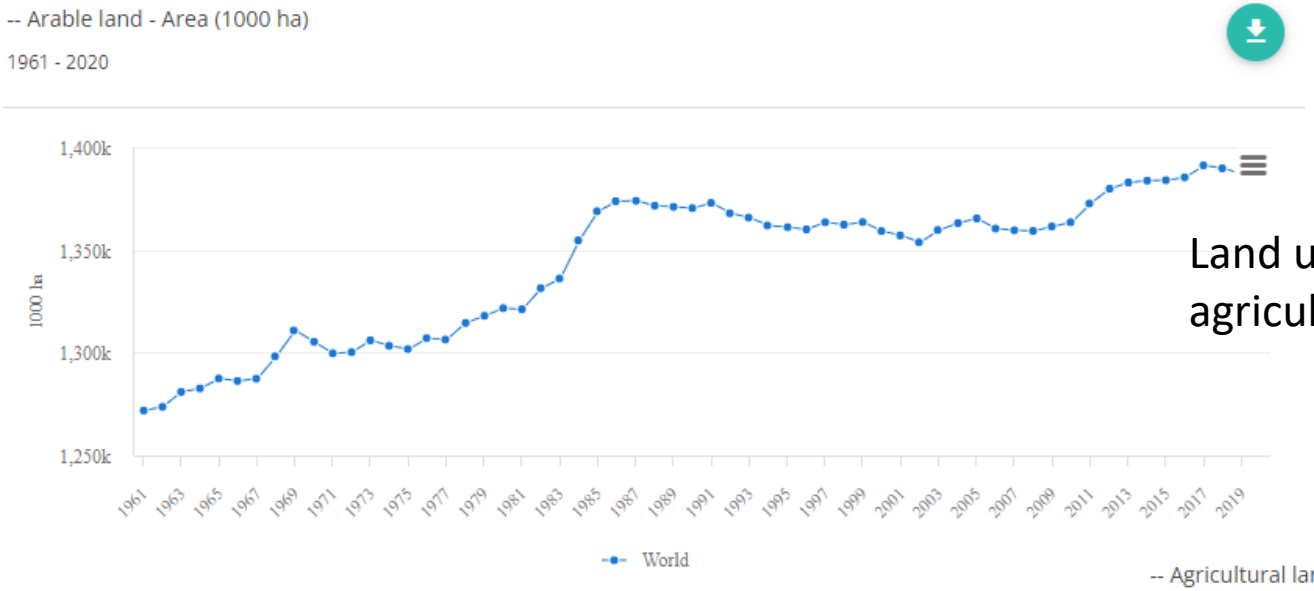
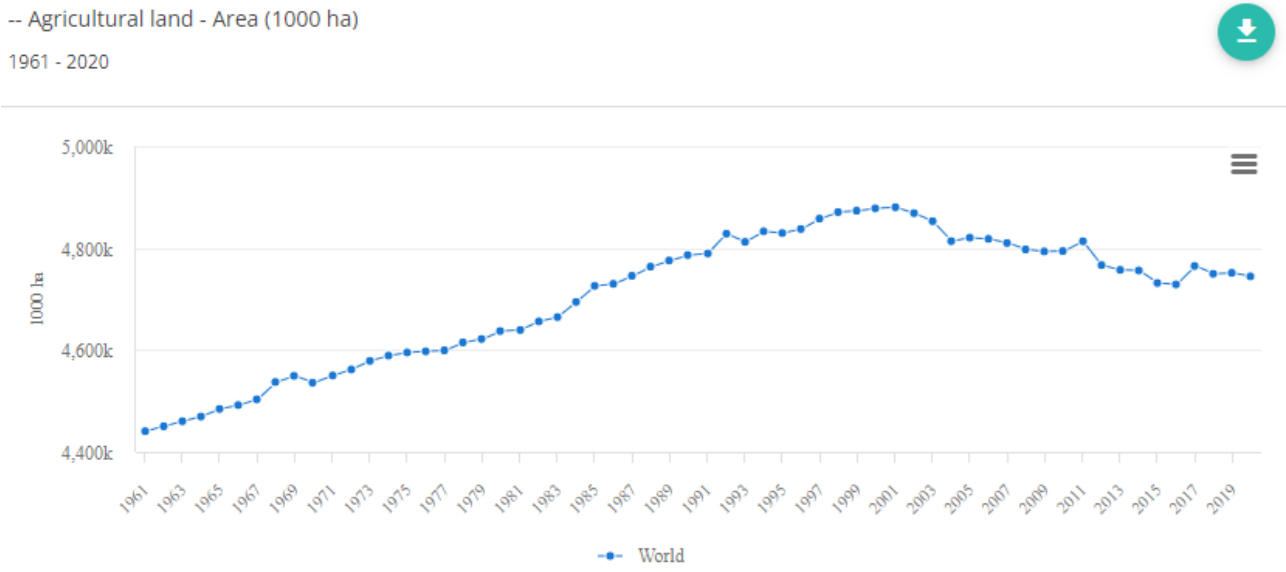
Availability of land for food production



Land under temporary agricultural crops

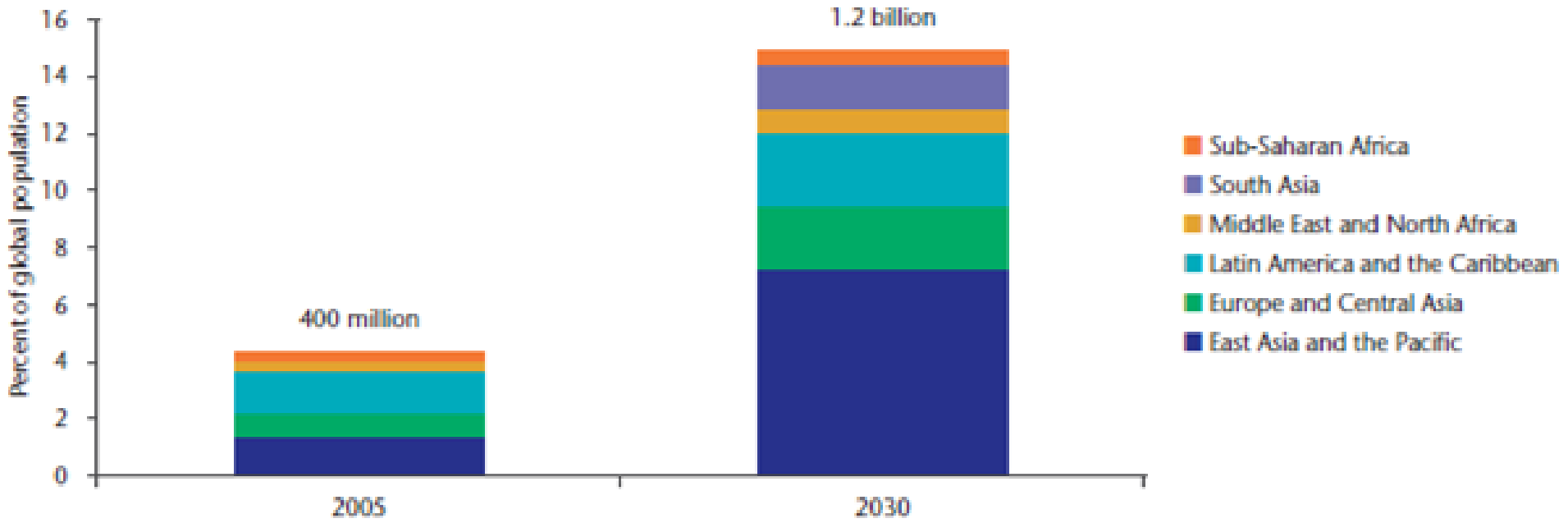
Arable land + permanent Crops + permanent livestock



Wealth and well-being

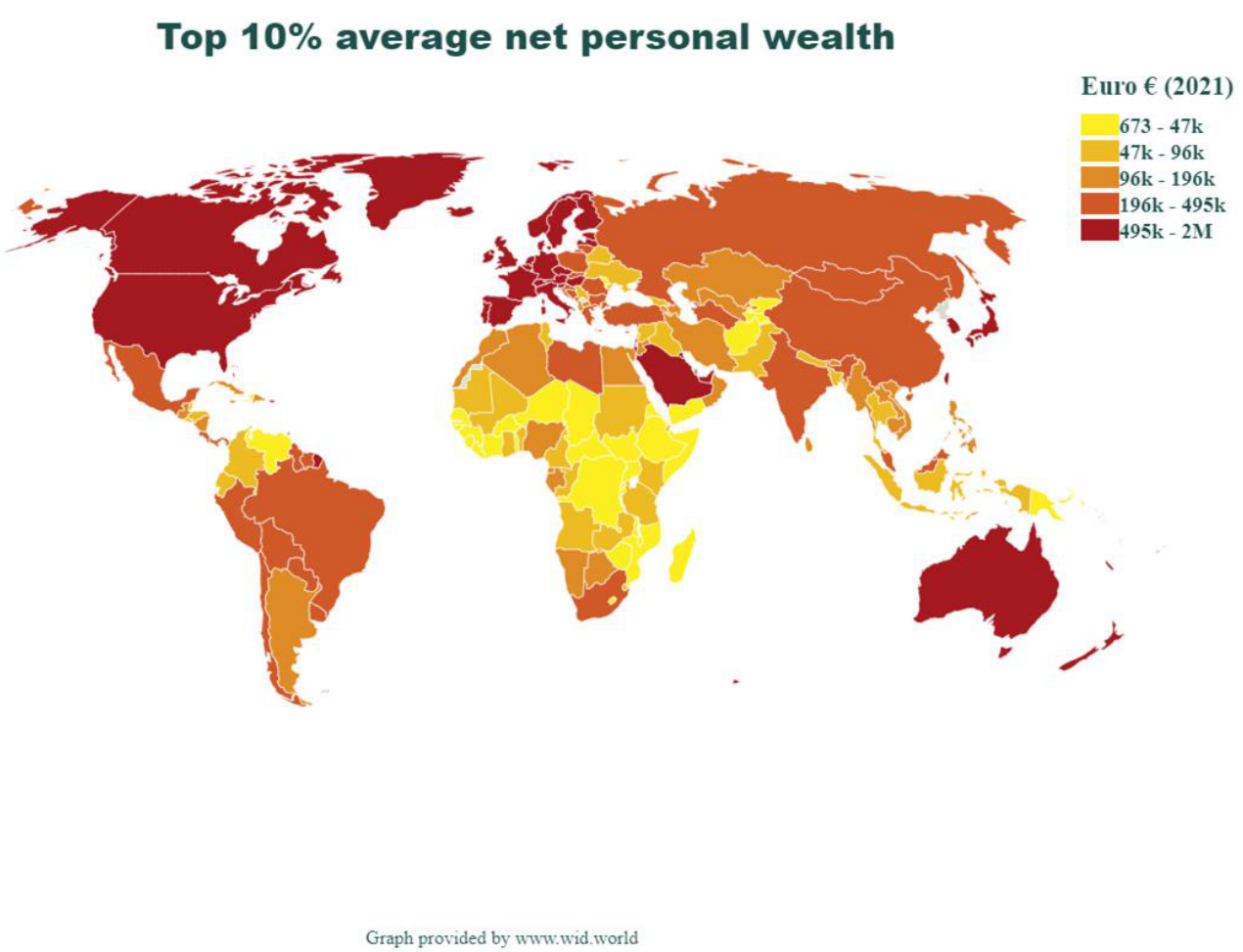
The global middle class is rapidly expanding

Population in low- and middle-income countries earning US$ 4,000-17,000 per capita (purchasing power parity)



Source: World Bank, *Global Economic Prospects*, 2007

Rising inequalities



8 people own as much as the poorest 50% of the world population

The poorest 50%

- ? 2015: owned 0,7% of wealth
- ? 2016: owned 0,2% of wealth

[Crédit Suisse]

"No society can sustain such an increase in inequality. In the history of humanity there is not a single precedent in which wealth has accumulated in this way without people sooner or later pulling out their pitchforks"
[Nick Hanauer, USA billionaire and entrepreneur]

Social and environmental justice

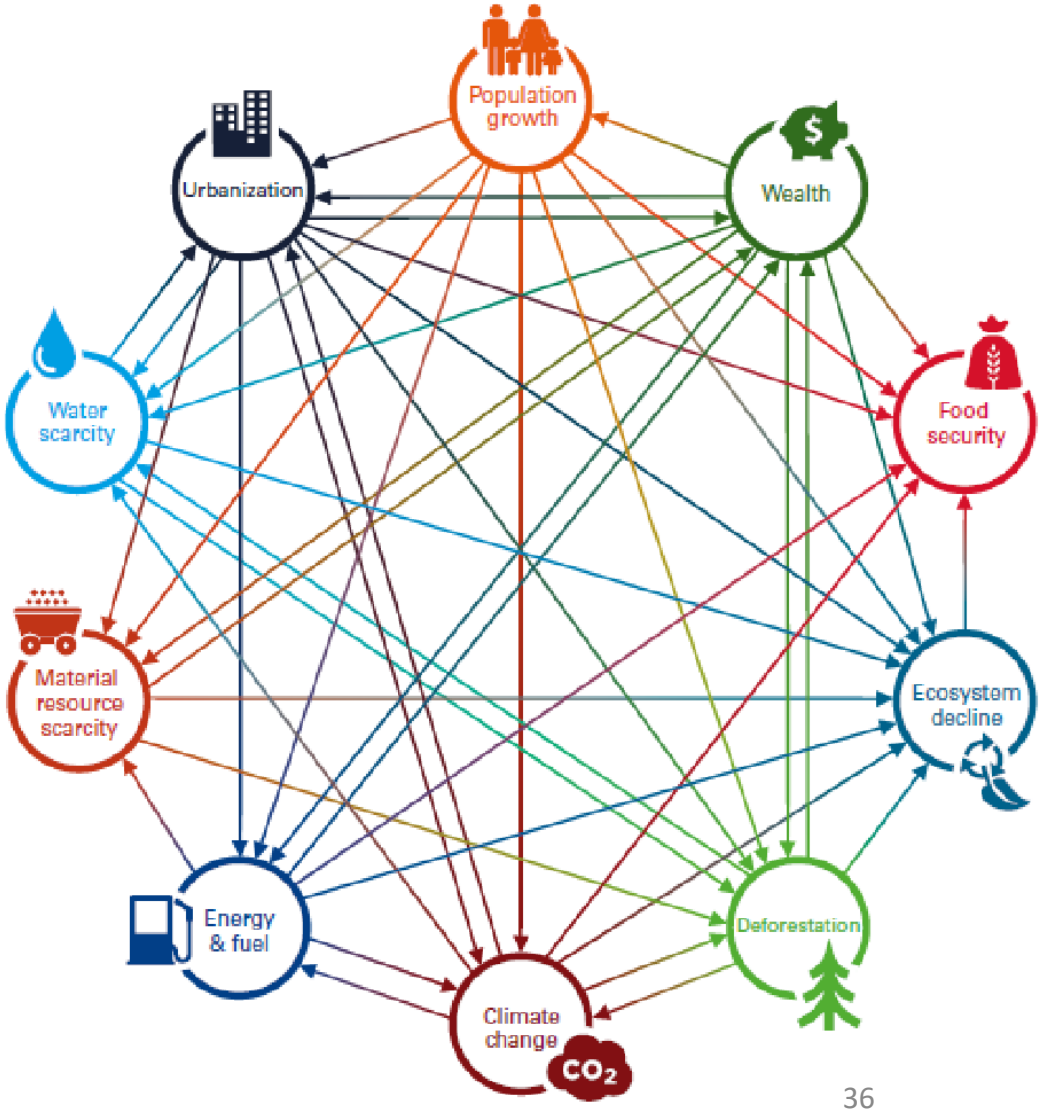
Distribution of wealth and opportunity within a society

Unfair exposure of poor and marginalized communities to harms associated with resource extraction, hazardous waste, and other land uses

How the cost of the environmental crisis should be splitted?

A complex system

The change in a single area influences and accentuates the change in all the other areas and of the system.



10 Megaforces identifies by KPMG [*Expect the unexpected*]

Different approaches to tackle the challenges of sustainable development

TECHNOCRACY	INTEGRAL ECOLOGY
Technology and the market solve problems (LS, 109)	
Technology alone: scientific method and specialisation, simple cause-effect relationships Simplification of reality, a single problem is isolated without taking into consideration its interdependency with other aspects Risk: not tackling root-problems (LS, 111)	Systems thinking, sense of wholeness and of the interconnections among things, long term approach (LS, 110) It allows to embrace complexity to solve complex problems
Technology alone	Technology as a mean, at service, human-centred (LS, 112) Ethics Education to Good, Justice and Values is needed (LS, 105)
Risk to perceive technology and the economy as the end instead of means. The oher becomes a mean. Priority to short-term interests	Human being in harmony with the environment is the end. This assumption guides the use of technological and economic tools. (LS, 112)
Human being is independent from reality (LS, 117)	Human being is an element of an ecosystem and a responsible caretaker (LS, 116)
Technology exaltation, little value to the human (LS, 118) Experts have an exclusive word on how to solve problems (LS, 109)	Ecology and anthropology together Technology and the economy at service Goal: common good

An example with eradicating hunger

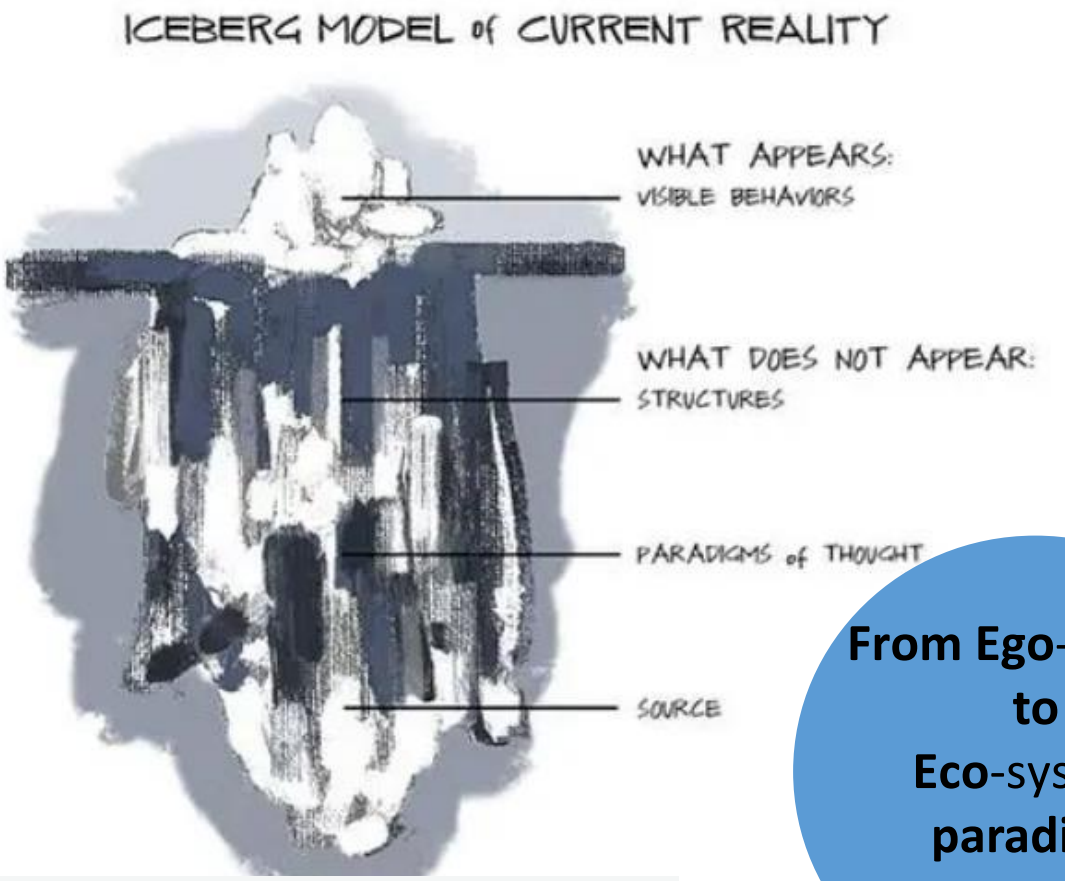
TECHNOCRATIC APPROACH	INTEGRAL ECOLOGY APPROACH
Exclusive focus on "food safety"	**Food Sovereignty approach**
"Constantly guaranteeing water and food necessary for the life of the human organism"	"The right of peoples to nutritious and culturally adequate, accessible food, produced in a sustainable and ecological form, and also the right to be able to decide their own food and production system"
Specialisation in fighting hunger through food production maximisation	Application of systems thinking to food systems taking into account both environmental, social and economic impacts
OPPORTUNITIES - More efficient resource use - Private interests	**OPPORTUNITIES** - food systems managed by local producers creating income - culture heritage valorisation - environmental sustainability / regeneration - fostering democracy
RISKS - Monopolies and food control loss - Wealth concentration and rising inequalities	**RISKS** - Less variety in diets in some areas

A deeper challenge to face glocal challenges: changing our paradigms of thought and beliefs

Visible Behaviors or Symptoms

The Ego to Eco framework begins with the "iceberg model" of the current socioeconomic system. It assumes that beneath the visible level of events and crises, there are underlying structures, mental models, and sources that are responsible for creating them. If ignored, these deeper layers of reality will keep us locked into re-enacting old patterns time and again.

Like the tip of an iceberg, the symptoms of our current situation are the visible and explicit parts of our current reality. This symptoms level includes a whole landscape of issues and pathologies that constitute three divides: what we call **the ecological divide, the social divide, and the spiritual divide.**



From Ego-system **to** **Eco**-system **paradigm**

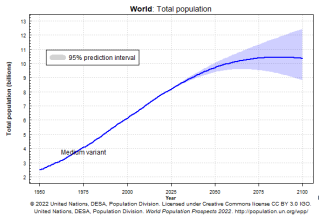
A deeper challenge to face glocal challenges: changing our paradigms of thought and beliefs

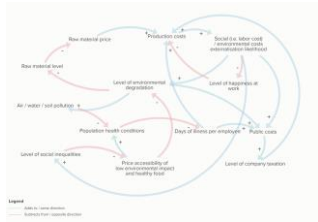
REACT

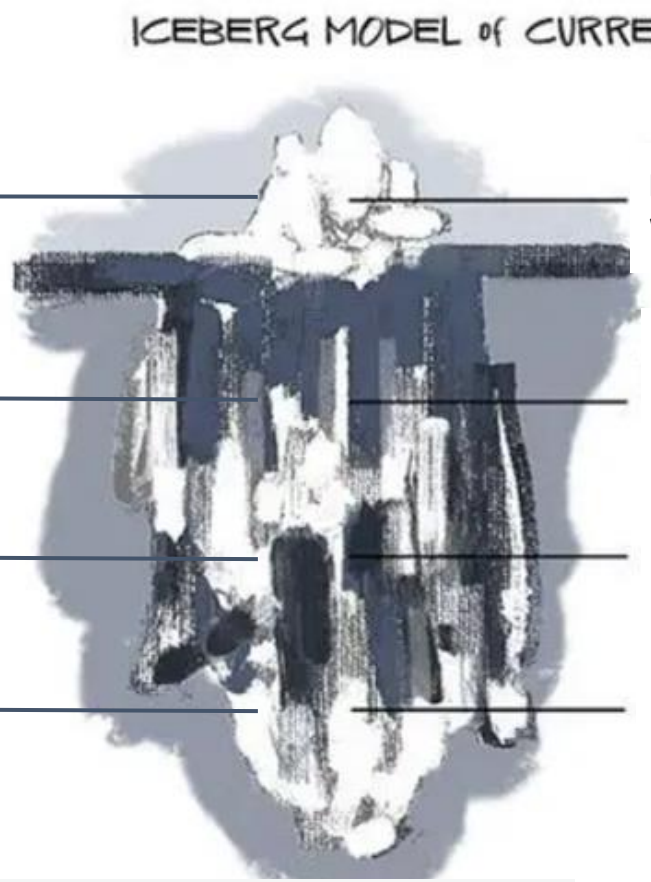
FORECAST

DESIGN

TRANSFORM







EVENTS
What is happening?

PATTERNS OF BEHAVIOR
What trends over time?

SYSTEMS STRUCTURE
How are parts related?
What does infuence the pattern?

MENTAL MODELS
How our thinking allows the situation to persist?

Sustainability and Sustainable Development

«Development»

- From the end of Second World War, focus on **Economic Growth**
- Main indicator: **GDP**
- From the 90's: **economic growth is not possible without Human Development**
- **Development = a set of conditions that allows a subject to realize its potential:** any person can function if s/he has the means (material and otherwise) that free its ability to function

[A. Sen]

- **Human Development Index** (UNDP) first attempt to measure Human Development based on:
  - Healthy and long lasting life (life expectancy at birth)
  - Knowledge accessibility (alphabetisation rate)
  - Decent life (per capita GDP)

- Some **more attempts exist also considering the environmental dimension** (i.e. Genuine Savings, Index of Sustainable Economic Welfare (ISEW), …)

«Sustainable»

- 70’s Club of Roma → Planetary boundaries awareness
- Rio ’92 «Earth Summit»

“Sustainable Development”

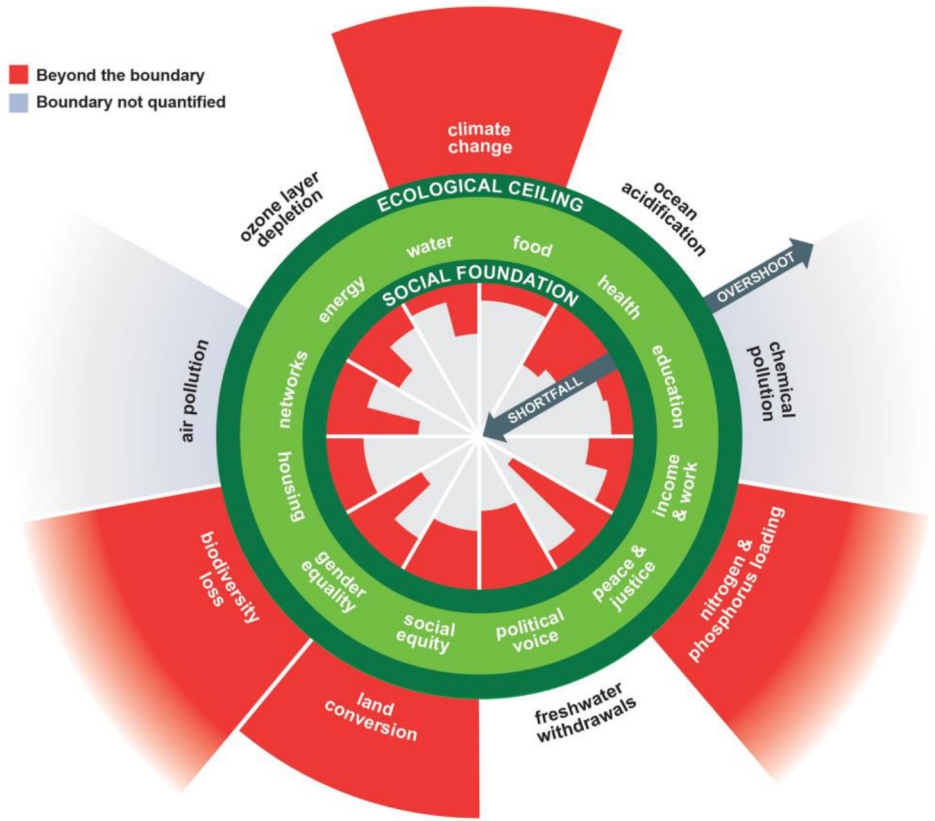
“A development model that meets the needs of the present without compromising the ability of future generations to meet their own needs”

[World Commission on Environment and Development – Report “Our Common Future”]

2 dimensions

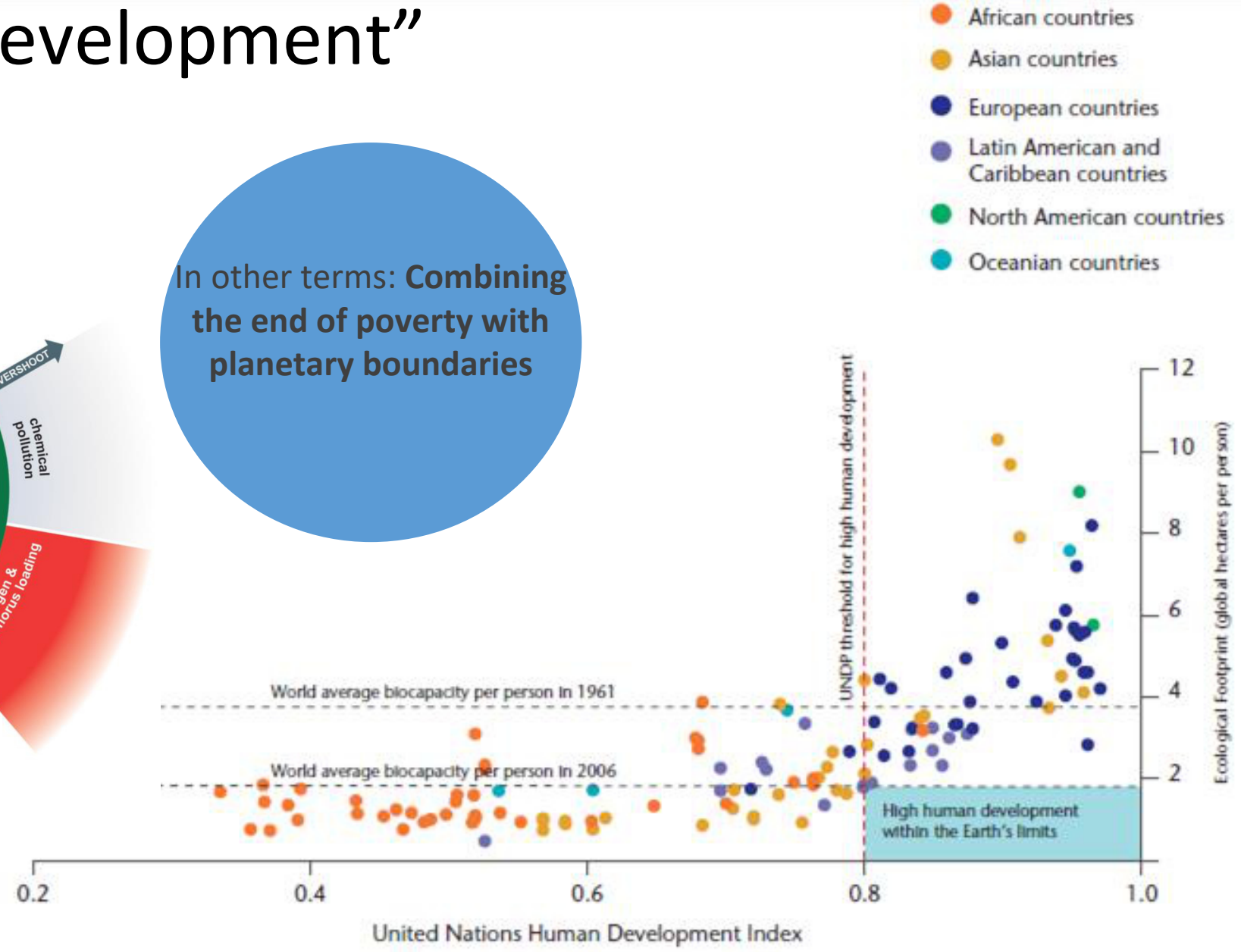
- Intragenerationality
- Intergenerationality

“Sustainable Development”



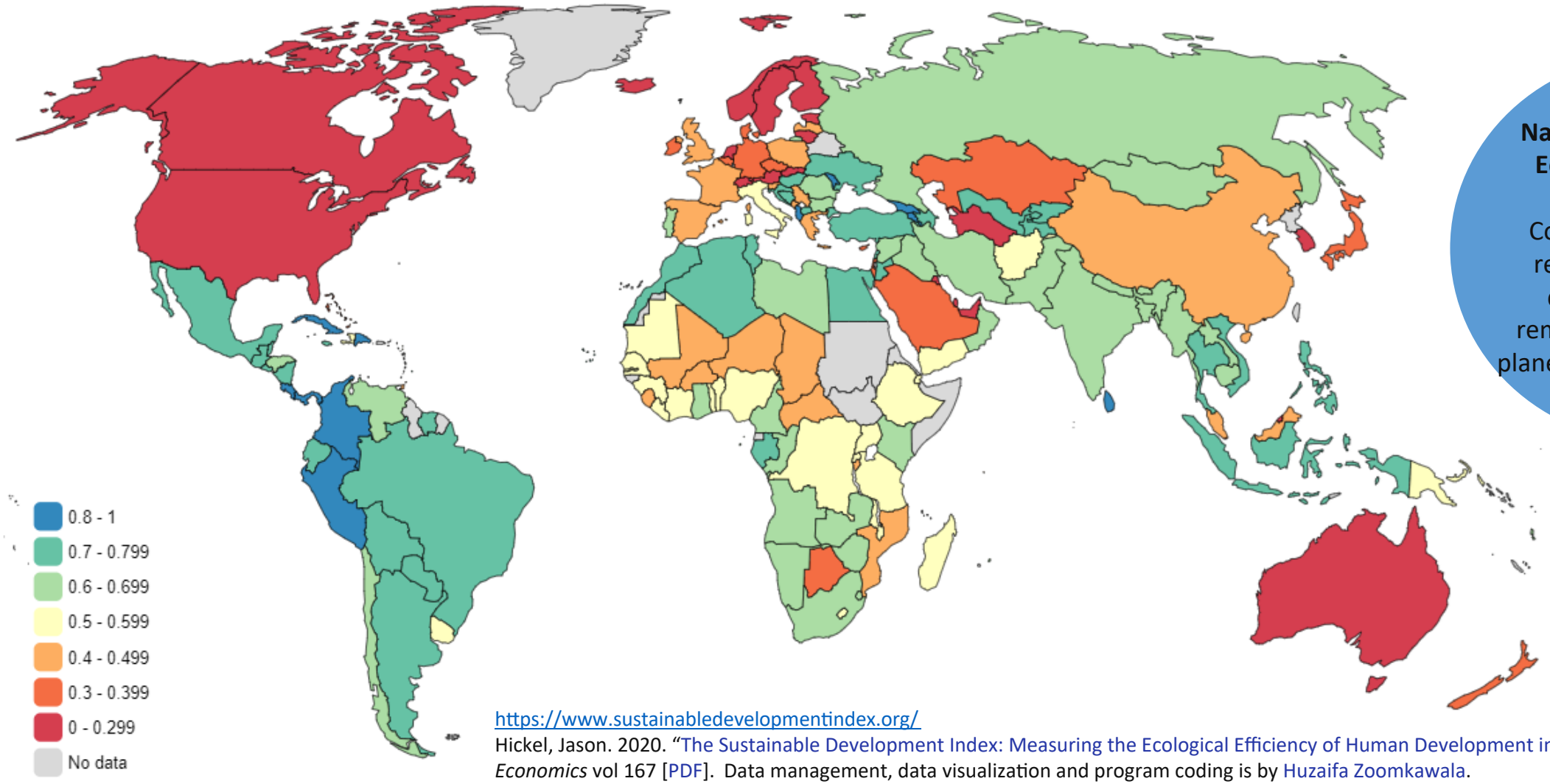
Kate Raworth, Donough Economics

In other terms: **Combining the end of poverty with planetary boundaries**



Global Footprint Network Report 2009

Sustainable Development Index



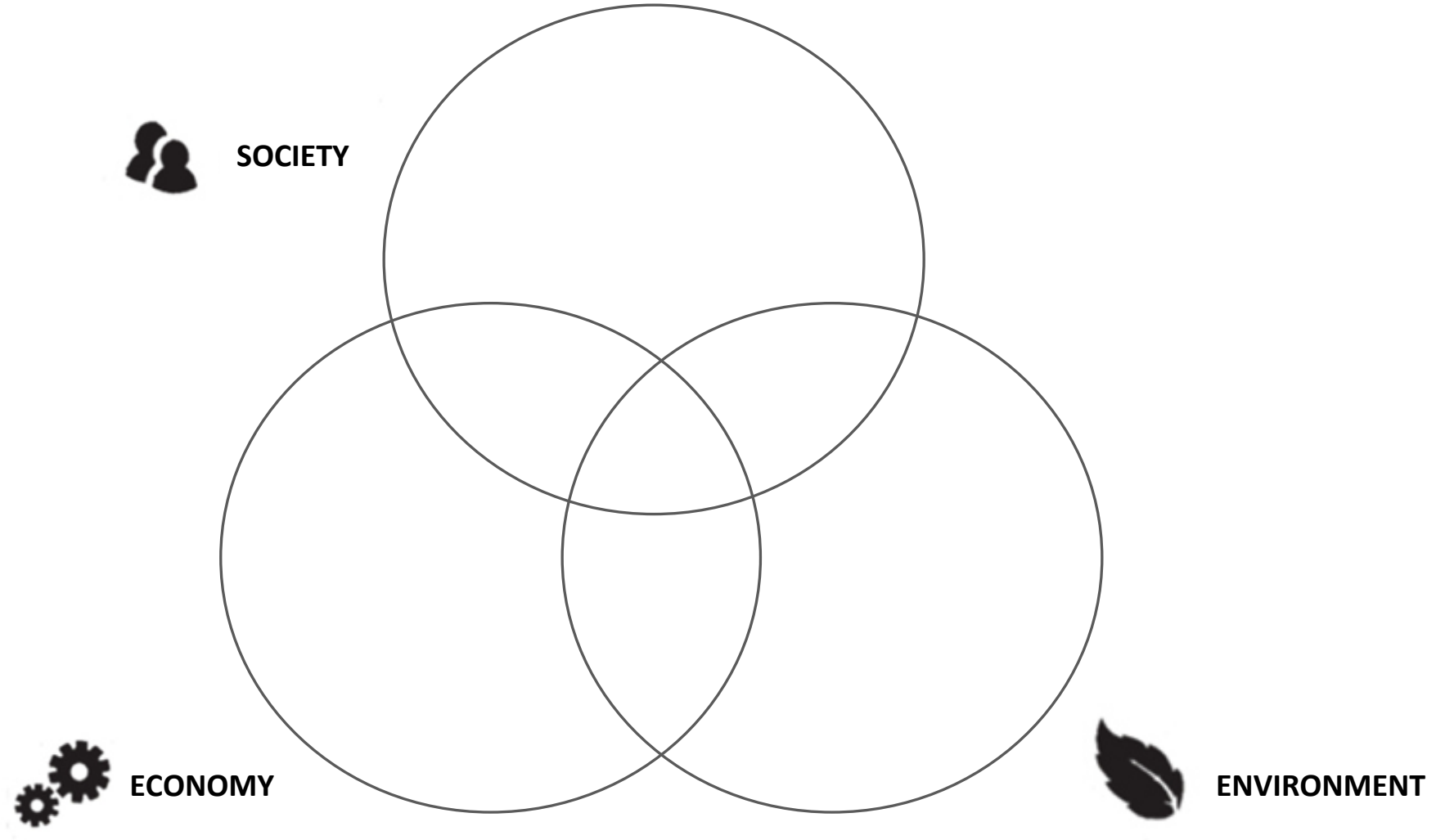
National HDI / National Ecological Overshoot

Countries that achieve relatively high human development while remaining within or near planetary boundaries rise to the top.

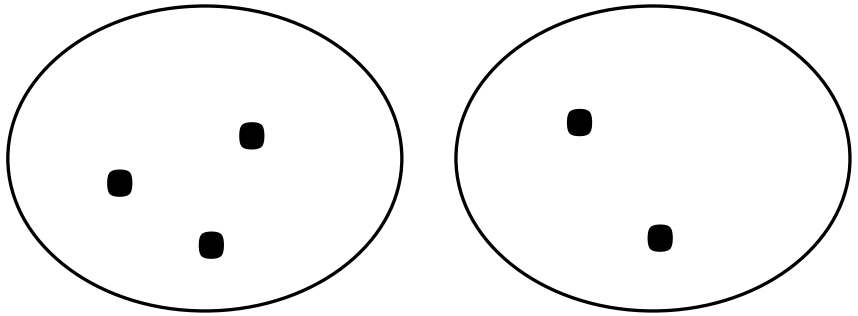
https://www.sustainabledevelopmentindex.org/

Hickel, Jason. 2020. "The Sustainable Development Index: Measuring the Ecological Efficiency of Human Development in the Anthropocene," *Ecological Economics* vol 167 [PDF]. Data management, data visualization and program coding is by Huzaifa Zoomkawala.

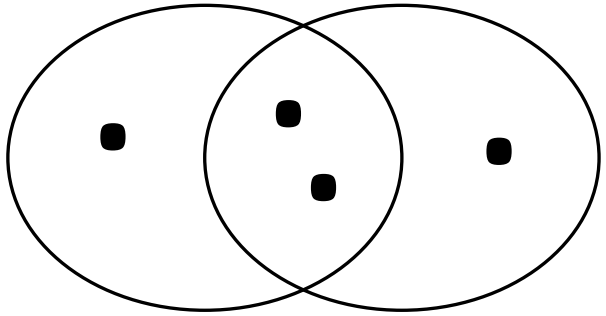
Sustainable Development and its dimensions: how do they relate with each others?



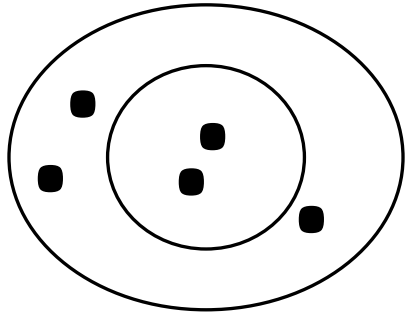
Let’s play…with sets!
Skill-building



DISJOINT SETS



INTERSECTED SETS

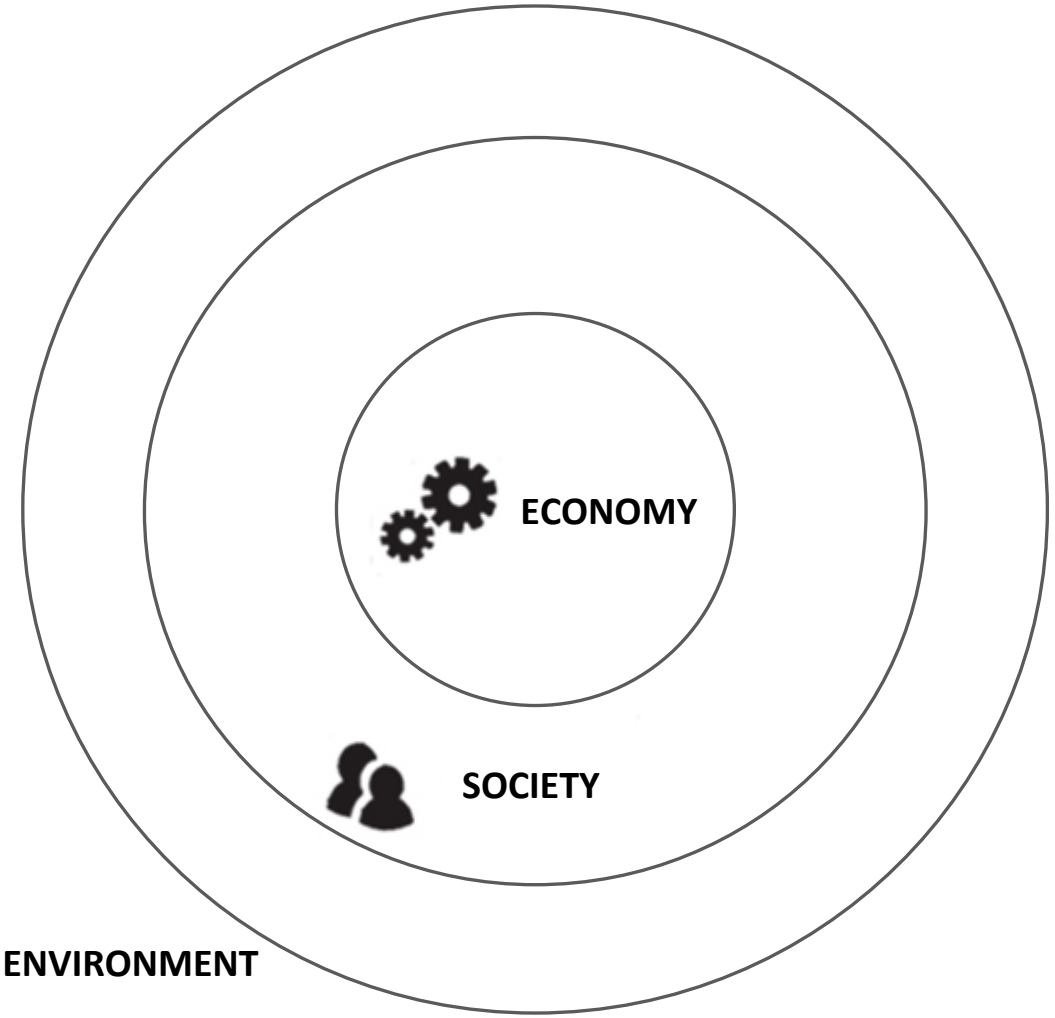


SUBSET AND SUPER SET

Let’s play…with sets! Activity

- Try to define the concepts “Environment”, “Society” and “Economy” in your own words
- Think about the relationship between the 3 different concepts and represent these relationships using 3 sets, one for each concept

Sustainable Development and its dimensions: how do they relate with each others?



To go in depth on the relationship between the Environmental, Social and Economic dimension watch this TedX Talk by Kate Rawoth

To sum it up…which concepts does "sustainability" include?

- Intergenerationality
- Intragenerationality
- Sufficiency
- Eco-efficiency and eco-effectiveness
- Systemic vision
- Inclusive vision
- The Environment as the Common House
- Society as relationships for living well within the Common House
- The Economy as the good resource allocation to create shared wellbeing within the Common House

The 2030 Agenda
Sustainable Development Goals

17 goals
169 targets

From MDGs…to SDGs

Who: Within the UN, a plan accepted by all adherent nations and by the main international organisations dealing with development issues

Goal: Eradicate poverty in all its dimensions

? Focus on **Developing Countries**

? Focus on **effect** of poverty

? Engaged entities: **UN, Governments, Development Agencies, NGOs**

Who: within the UN, nations, civil society, companies

Goal: Promote prosperity safeguarding the Planet

? Focus on **all Countries**

? Focus on poverty **root-causes**

? Engaged entities: **UN, Governments, Civil Society, Companes**

In a complex system **everyone is interdependent**

Poverty is caused by indirect effects as wll, not taken into account within the MDGs

Need for **Global Action**

The agreement is not legally binding, but Nations are called to build a national framework for reaching the 17 goals and track their progress through quality, accessible and accurate data.

SDGs – Pros & Cons

PROs

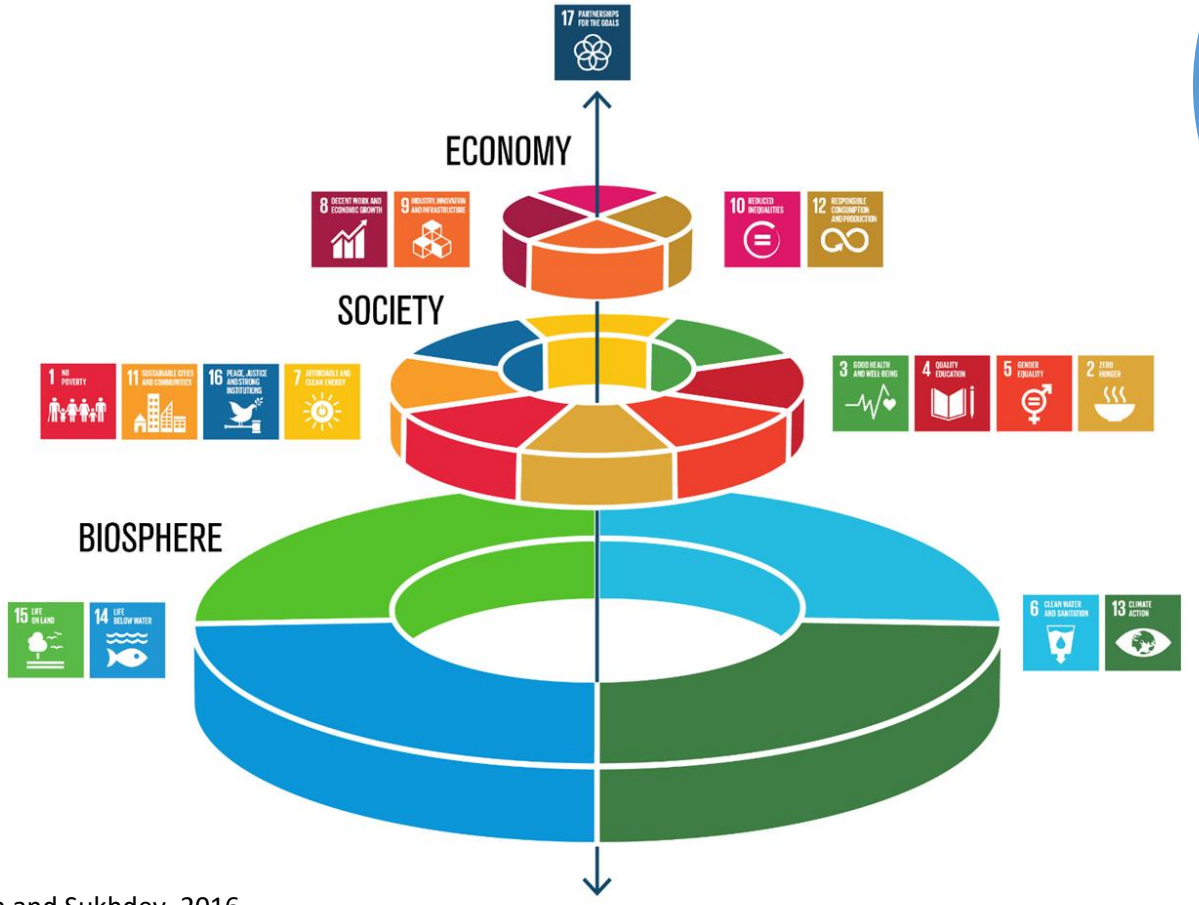
- Systeming attempt
- Simple, synthetic, comprehensive
- Easily usable by everyone

CONs

- Risk of selective use (loss of systemic approach)
- Some relevant elements of the system are missing (i.e. impact of the financial sector on the environment and society)
- The concept of «Economic Growth is still a stated goal»
- Planetary boundaries only partially considered
- Interdependencies between goals are not made clear
- No focus on individual inner transformation (meaning, purpose, …)
- Risk of marketing and communication use only without real action and impact

The 2030 Agenda
Sustainable Development Goals

This illustration better grasps SDGs integration and the biosphere foundation for global sustainability



Rockström and Sukhdev, 2016.

Sustainable companies

And companies? They are part of the problem

They have environmental, social and economic impacts on the system

BANGLADESH

Dying for Some New Clothes: Bangladesh's Rana Plaza Tragedy

By Charlie Campbell | April 26, 2013

CNN style

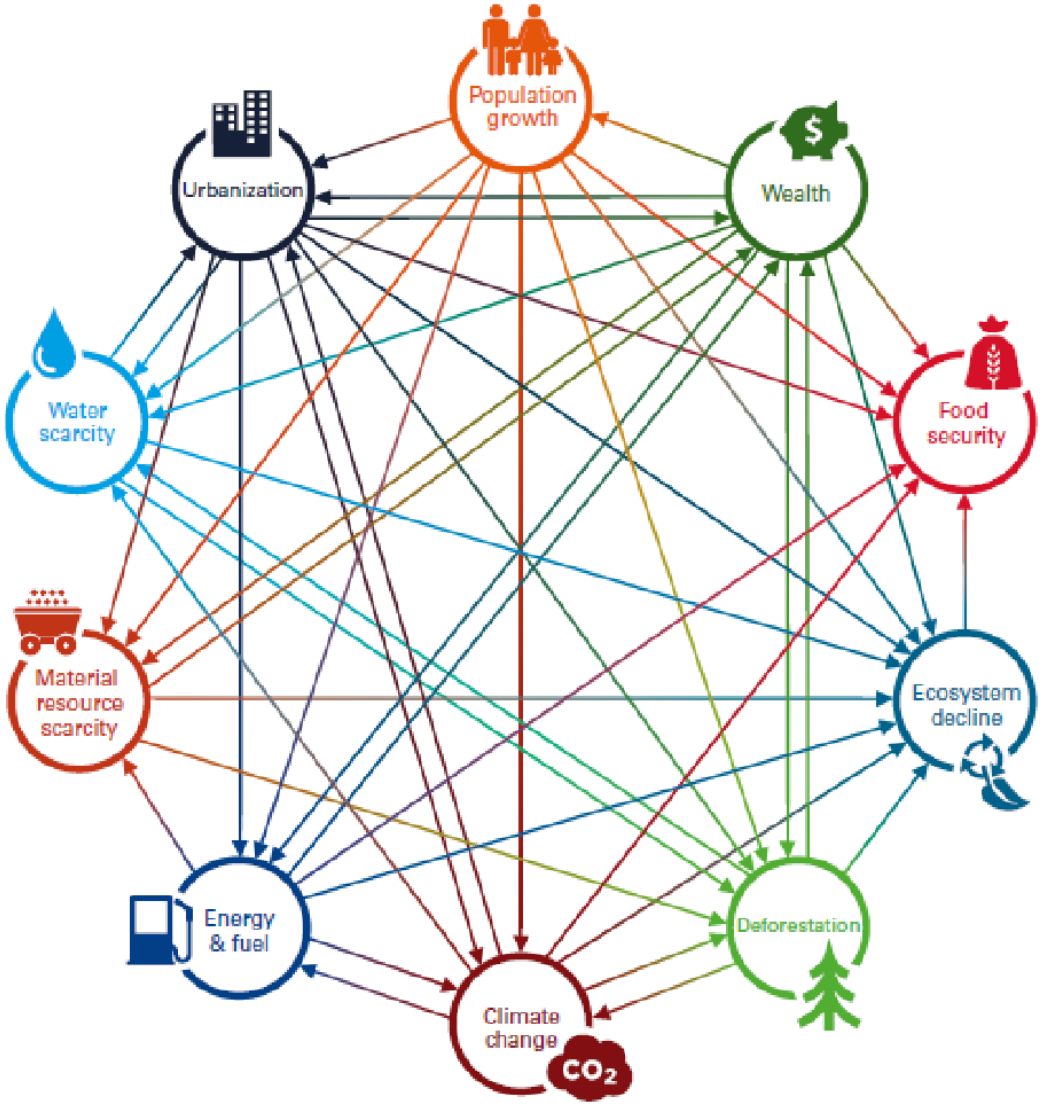
FEATURE · Fashion

Asian rivers are turning black. And our colorful closets are to blame

Textile dyeing is one of the most polluting aspects of the global fashion industry, devastating the environment and posing health hazards to humans.

And companies? They are put at risk

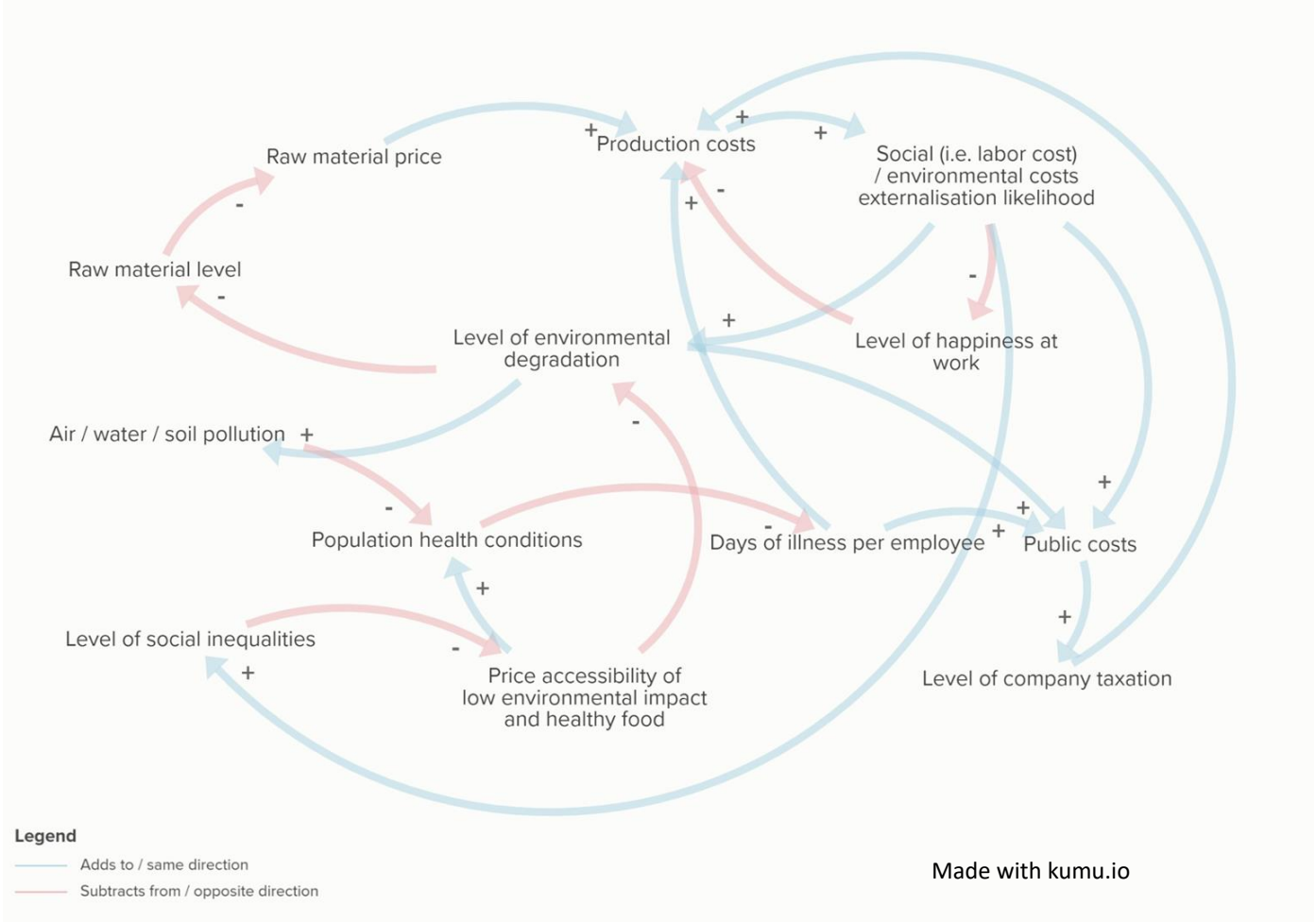
Glocal challenges can have an economic adverse impact on companies



10 Megaforces identifies by KPMG [*Expect the unexpected*]

And companies? They are put at risk

Some examples



Made with kumu.io

And companies?
They can be part of the solution

They can be part of the **solution**

"Business-as-usual cannot get us to sustainability or secure economic and social prosperity; these can be achieved only through radical change, starting now. To play its role, business will still need to do what business does best: innovate, adapt, collaborate and execute. These activities will change along with the partnerships that we form with other businesses, governments, academia and non-governmental organizations in order to get it right for all. And we must get it right."

[WBCSD, Vision 2050]

CORPORATE SOCIAL RESPONSIBILITY (CSR)
CORPORATE CITIZENSHIP
BUSINESS SUSTAINABILITY

Different CSR interpretations

INSTRUMENTAL CSR (disconnected from core business)

- **Profit maximisation**
- **Philanthropy** (charity / stewardship / instrumental approach, by convenience)

STRATEGIC CSR (connected with core business)

- **Focus on operations and outputs (products and services)** for negative impact minimisation
- Profit maximisation **Positive value creation for all stakeholders**

Corporate Social Responsibility
Definition by the European Commission

The Commission has defined CSR as the responsibility of enterprises for their impact on society and, therefore, it should be company led. Companies can become socially responsible by

- integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations
- following the law

http://ec.europa.eu/growth/industry/corporate-social-responsibility_it

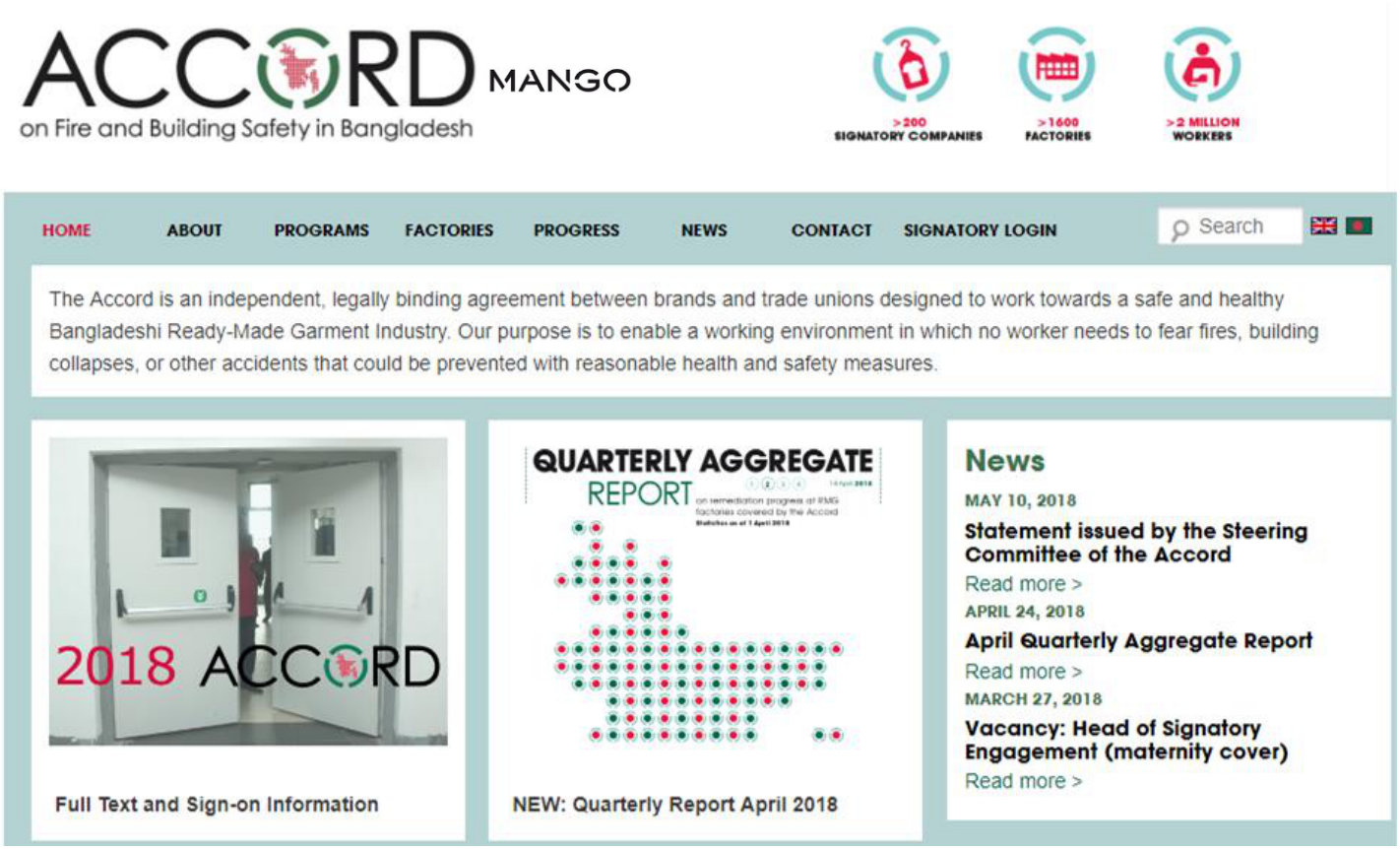
Business Sustainability Typologies

BUSINESS SUSTAINABILITY TYPOLOGY (BST)	Concerns (What?)	Values created (What for?)	Organizational perspective (How?)
Business-as-usual	Economic concerns	Shareholder value	Inside-out
Business Sustainability 1.0	Three-dimensional concerns	Refined shareholder value	Inside-out
Business Sustainability 2.0	Three-dimensional concerns	Triple bottom line	Inside-out
Business Sustainability 3.0	Starting with sustainability challenges	Creating value for the common good	Outside-in
The key shifts involved:	1st shift: broadening the business concern	2nd shift: expanding the value created	3rd shift: changing the perspective

Dyllick, T., & Muff, K. (2016). Clarifying the meaning of sustainable business: Introducing a typology from business-as-usual to true business sustainability. *Organization & Environment*, *29*(2), 156-174.

Business Sustainability Typologies 1.0 example

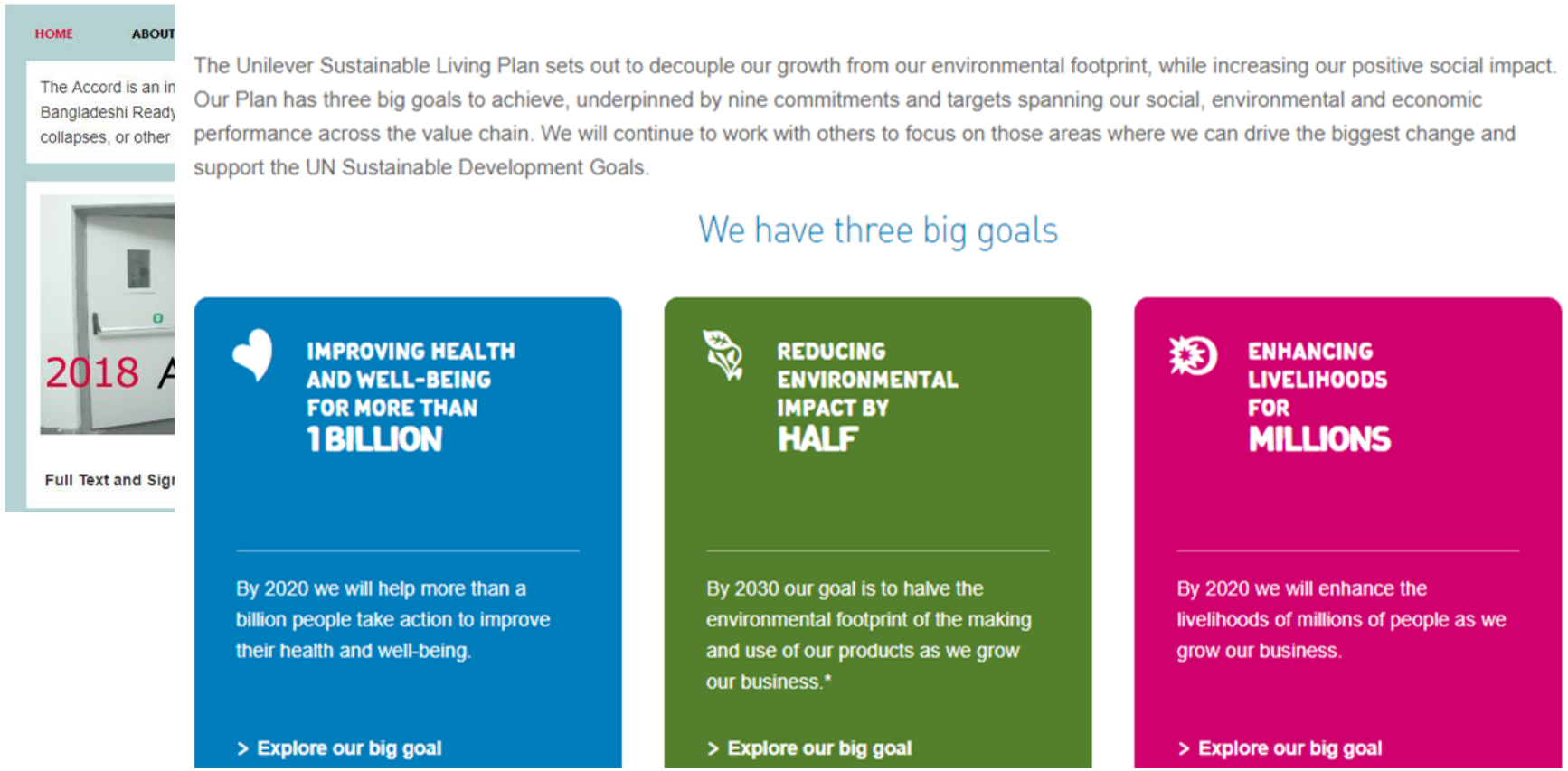
BS 1.0



Business Sustainability Typologies 2.0 example

BS 1.0

BS 2.0

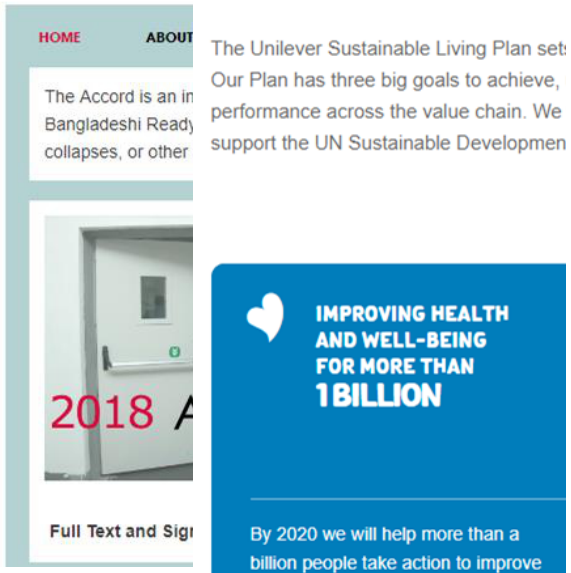


Business Sustainability Typologies 3.0 example

BS 1.0

BS 2.0

BS 3.0



ACCORD on Fire and Buildin

MANGO

ilever Sustainable Living Plan

The Unilever Sustainable Living Plan set
Our Plan has three big goals to achieve,
performance across the value chain. We
support the UN Sustainable Developmen

Creating products that last

We design for longevity, easy repair, and modular upgrades. Our goal is to make your phone's hardware last as long as possible, and to provide the support to keep its software up to date. The longer you can keep your phone, the smaller its environmental footprint.

Reducing e-waste

We want to make the most of the materials used in consumer electronics. We're moving one step closer to a circular economy by encouraging the reuse and repair of our phones, researching electronics recycling options and reducing electronic waste worldwide.

From the earth to your pocket, a smartphone's journey is filled with unfair practices. We believe a fairer electronics industry is possible. By making change from the inside, we're giving a voice to people who care.

Choosing fairer materials

We go straight to the source to make sure we're creating positive change. One material at a time, we're working to incorporate fairer, recycled, and responsibly mined materials in our phones – to increase industry and consumer awareness.

Fair Materials

Putting people first

We're innovating ways to improve job satisfaction for workers in the industry. Together with our suppliers, we're listening to workers and creating better v
representation, income and g

Good Working Condi

FAIRPHONE

The business case for sustainability

(Strong motivation mainly for 1.0 and 2.0 business sustainability typologies)

Why is it worth investing in sustainability?

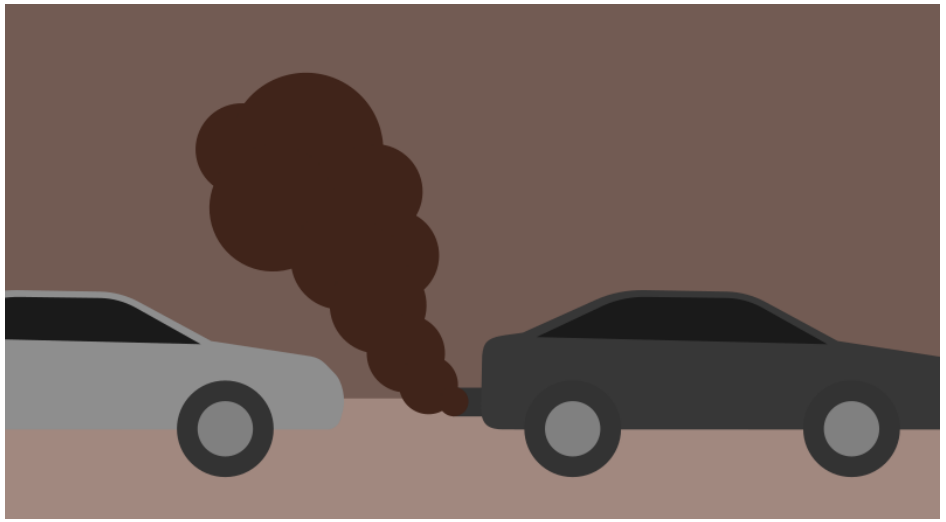
Why should a company be interested in dealing with sustainability?

KPMG – A New Vision of Value (2014)

- Regulations and standards
- Stakeholder action
- Market dynamics

Regulations and Standards

EU / NATIONAL GOVERNMENT REGULATIONS AND PRODUCT STANDARDS



Emission standards for cars
(i.e. Euro 1, Euro 2, Euro 3, Euro 4, Euro 5, Euro 6, …)

EU Taxonomy (provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable)

CSR Directive

Stakeholder action

EMPLOYEES

- **Strikes** to ask for **better working conditions**

- **From the company side, caring about employees** would mean:

  ☺ + motivation and – absenteism + productivity + profit
  ☺ + loyalty and pride[Natural Capital Solutions, 2012]

  - **From the employee side, the employer caring for its employees would mean:**
  - ☺ + learning opportunities
  - ☺ + pleasant and stimulating work environment

? Employees prefer socially and environmentally responsible companies (Keeble et al., 2003)

? Companies perceive that best employees look for companies who deserve them (Eccles et al., 2012a)

Stakeholder action

NGOs AND CIVIL SOCIETY
Massive actions to push changes in company behaviours

- March against **Monsanto**
- Greenpeace Italy 2012 – «Facciamo luce su **ENEL**» Campaign against energy production from coal
- Campaign against Armed Banked (Nigrizia)
- «**Behind the Brands**» Campaign (Oxfam) https://www.behindthebrands.org/
- **Detox** Campaign (Greenpeace)

Stakeholder action

NGOs AND CIVIL SOCIETY – I.e.: Greenpeace – Detox Campaign

https://www.youtube.com/watch?v=uZucclsuKaU

- Information
- «irreverent» denounce
- Consultancy to companies who want to start to clean up their supply chain
- Monitoring of goals and possible new denounce

Greenpeace: Nike, Esprit, Victoria's Secret and LiNing fail toxic-free fashion ranking

by Greenpeace International · 5 July 2016 | 1 Comments

Stakeholder action

B2B CLIENTS TOWARDS THEIR SUPPLIERS

Suppliers are asked to meet more and more social and environmental criteria

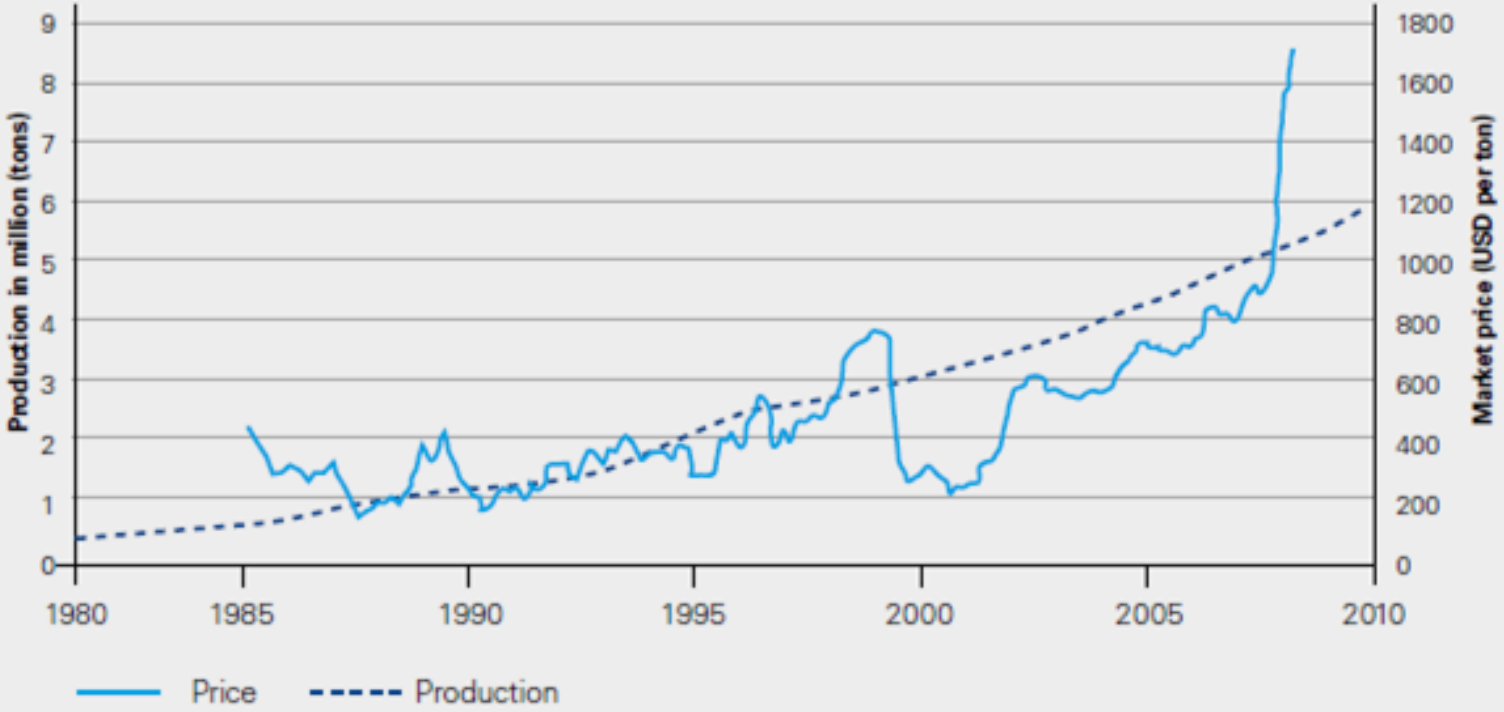
I.e.: **Samsung asks for conflict-free minerals** for mobile phones production http://www.samsung.com/us/aboutsamsung/investor_relations/corporategovernance/corporatesocialresponsibility/downloads/2014_Conflict_Minerals.pdf

Conflict Free Smelter Program helps smelters, monitoring them and offering a list of ethical smelters. The project was developed by (**GeSi** - Global e-Sustainability Initiative + **EICC** - Electronic Industry Citizenship Coalition)

http://www.conflictfreesourcing.org/conflict-free-smelter-program/

Market dynamics

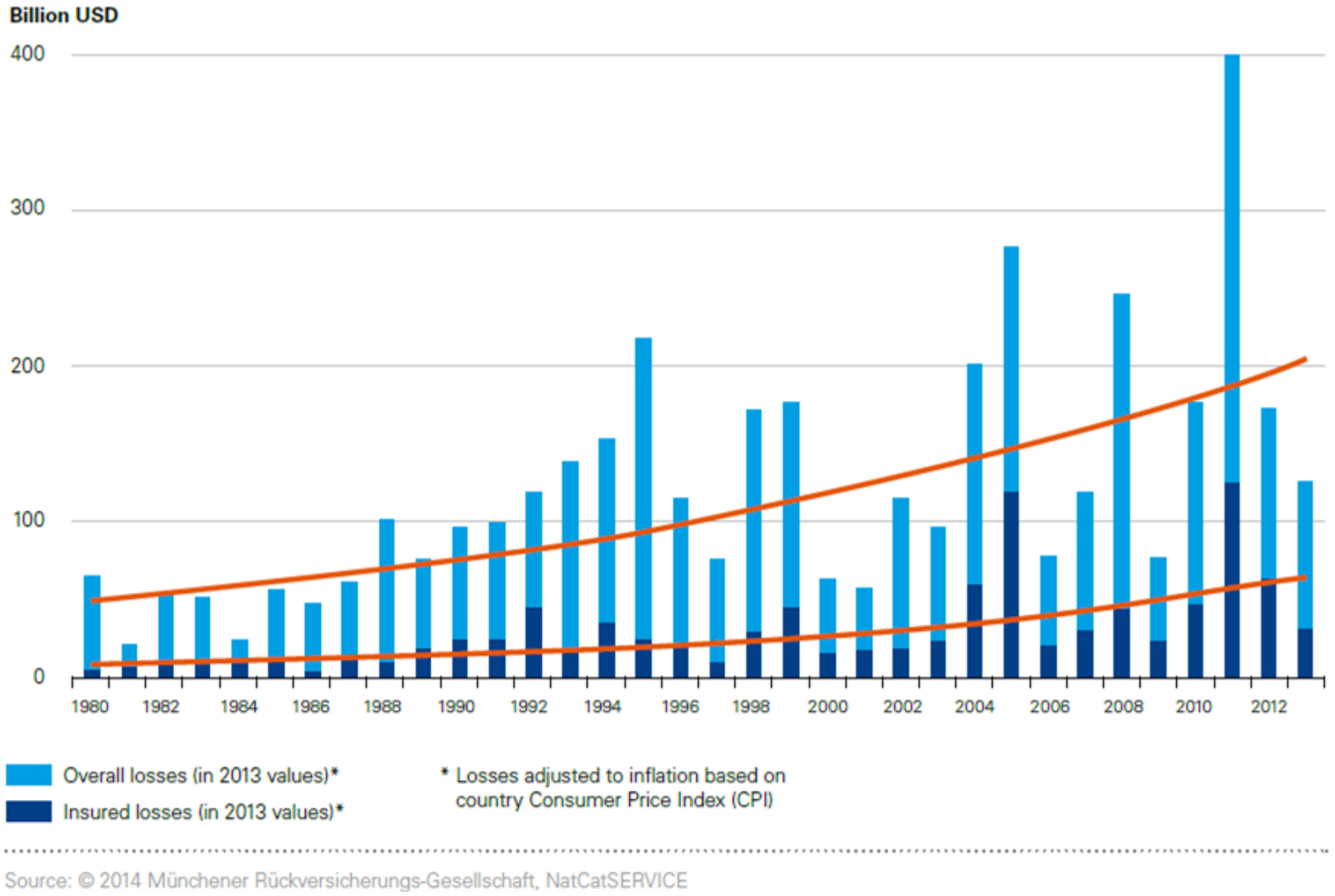
SCARCITY AND PRICE



Source: World Ocean Review (2013). *World Ocean Review 2: The Future of Fish – the fisheries of the future*

Market dynamics

Increasing losses due to increasing natural disasters and extreme weather events



Market dynamics

NEW MARKETS

- New insurance products
- Sustainable products
- Energy from Renewables
- …

First movers benefit of competitive advantages in respect of later adapters (Fatemi & Fooladi, 2013)

Market dynamics

INVESTORS

Companies investing in sustainability benefit of **better performances** than the ones not investing, however this happens only in the **long run**. (Eccles et al., 2012a)

Between 1997 and 2001 **Dow Jones Sustainability Index Companies** (ranking the best 10% of stock companies investing in sustainability) increased their performance more than **Dow Jones Global Index** companies (ranking the best 10% of stock companies). (WBCSD, 2001)

Companies investing in sustainability attact more dedicated and less temporary investors. (Eccles et al., 2012a)

Beyond the business case for sustainability

(Mainly for 3.0 business sustainability typology)

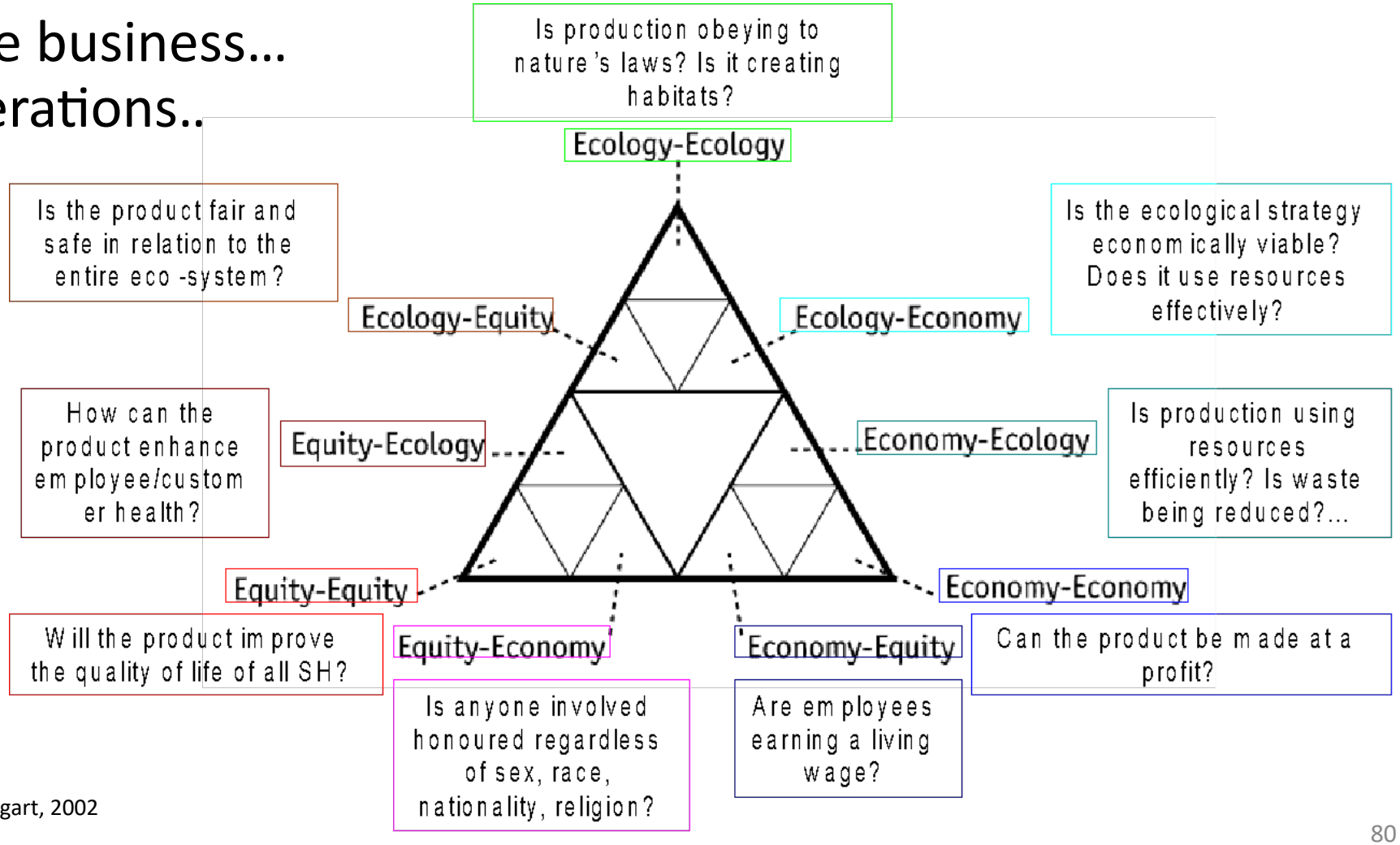
Redefining the goal of doing business

- **Meeting human needs** through **production and distribution of goods and services** in a better way.
- *«Entrepreneurs are adventurous individuals who stimulate economic progress by finding **new and better ways** to do things. **They create value**.»*

[Dess, 1998 as cited in Tilley & Young, 2006]

Sustainability by design or “Triple top line”

- In core business…
- In operations..



Elaborated from McDonough and Braungart, 2002

New legal status acknowledging doing business for positive impact
Benefit Corporations laws around the world

Benefit Corporations are companies that, in the exercise of an economic activity, in addition to the purpose of dividing the profits, pursue one or more purposes of common benefit and operate in a responsible, sustainable and transparent manner towards people, communities, territories and the environment, cultural and social assets and activities, organizations and associations and other stakeholders.

- A new legal status has been developed in some Countries (USA and Italy)
- Not to be confused with the BCorp Certification!

New business typology acknowledging doing business for positive impact
Social enterprises for the EU Commission

- Social enterprises **combine societal goals with an entrepreneurial spirit**. These organisations focus on **achieving wider social, environmental or community objectives**.
- A social enterprise is an operator in the social economy whose **main objective is to have a social impact rather than make a profit for their owners or shareholders**. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and **uses its profits primarily to achieve social objectives**. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.
- The Commission uses the term 'social enterprise' to cover the following types of business
  - Those for who **the social or societal objective of the common good is the reason for the commercial activity**, often in the form of a high level of social innovation
  - Those whose **profits are mainly reinvested** to achieve this social objective
  - Those where the method of organisation or the ownership system reflects the enterprise's mission, using **democratic or participatory principles** or focusing on social justice
- **There is no single legal form for social enterprises** (many are cooperatives or mutual or non-profit-distributing organisations but some other are registered as private companies limited by guarantee)

Thank you!

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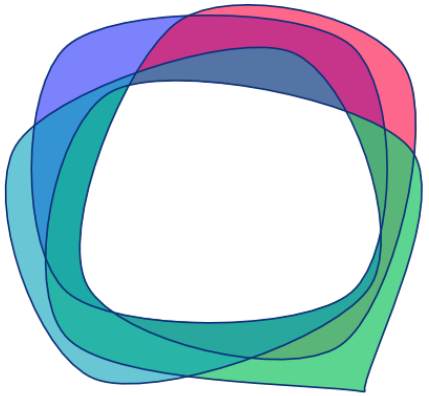

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