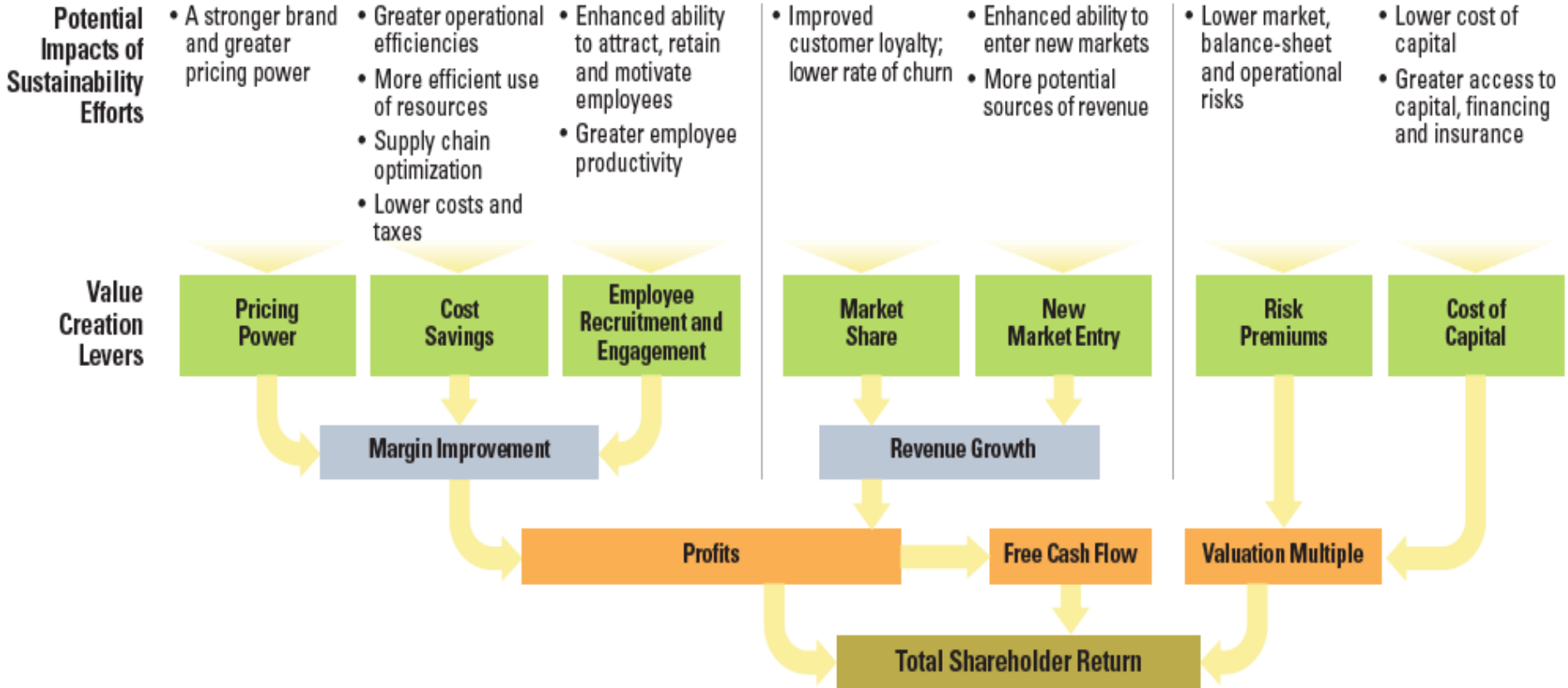


The dimensions of sustainability in business management

Marco Brusati – 11.04.19

How sustainability affects value creation?

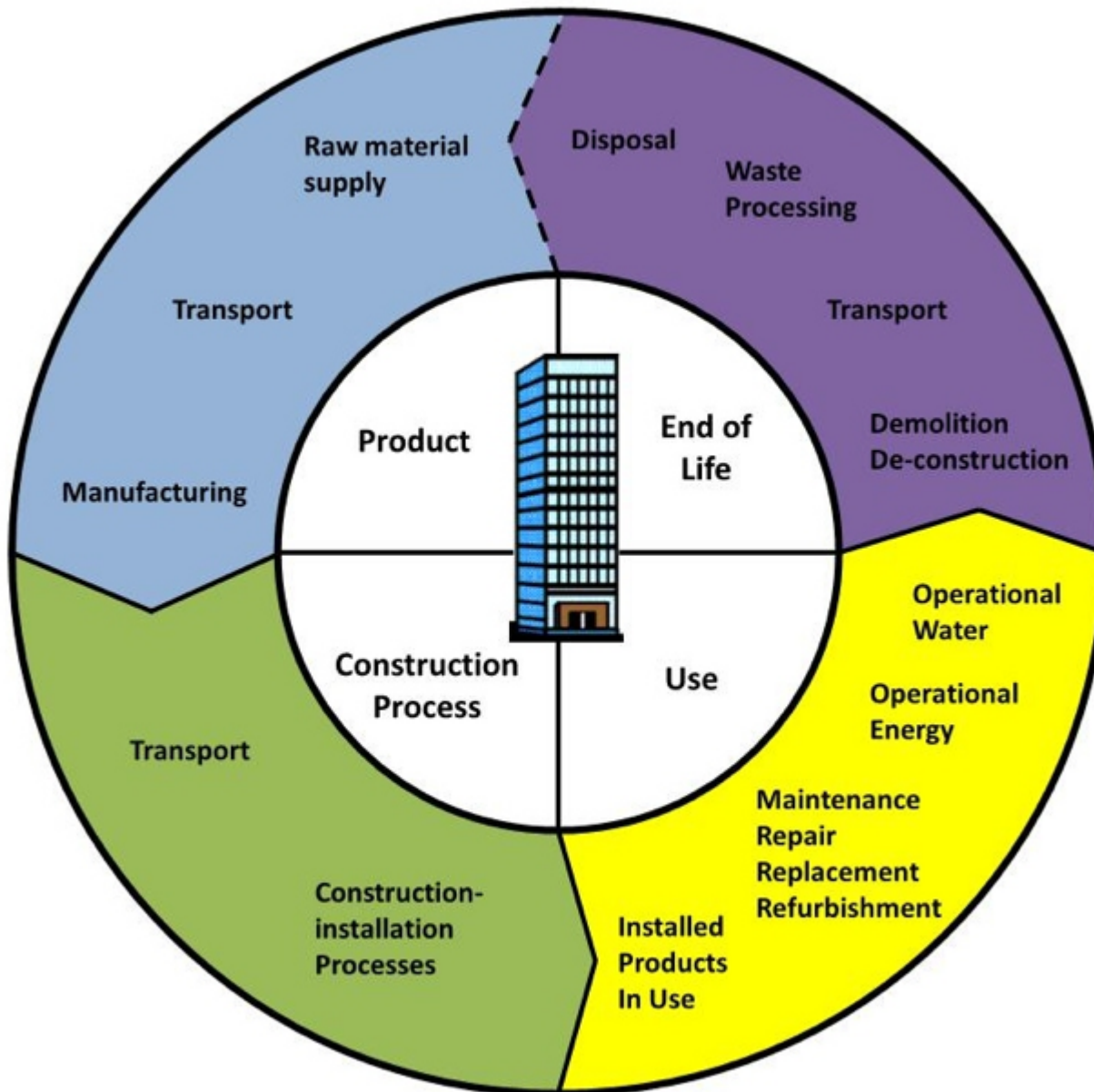


Environmental sustainability and business

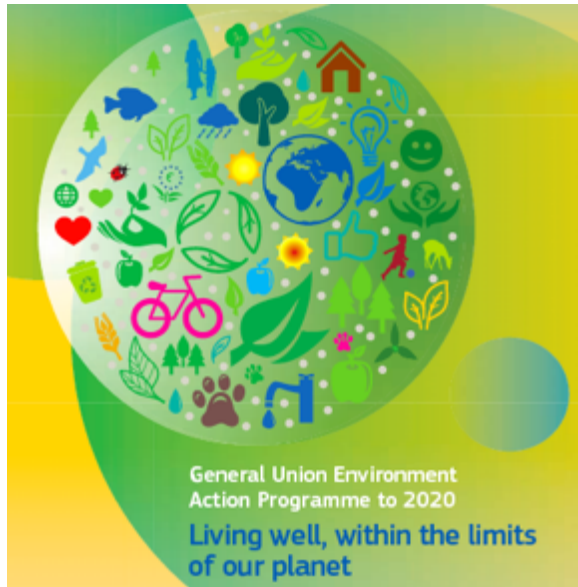
Business and environmental sustainability: contents

- Mega-trends: geo-politics and geo-economic of resources
- European Union policies on environment
- Operational tools for business World (LCA, ISO 14001 and ISO 50001)
- Future scenarios
- Cases of environmental sustainability in business

Impacts of a product on the environment



EU specific policies



- To protect, conserve and enhance the Union's natural capital
- To turn the Union into a resource-efficient, green and competitive low-carbon economy
- To safeguard the Union's citizens from environment-related pressures and risks to health and well-being

Closing the loop – AP on C.E.

Actions

- Production
- Consumption
- Waste Management
- Market for secondary raw materials

Sectorial actions

- Plastic
- Food waste
- Critical raw materials
- Construction and demolition
- Biomass and bio-based materials

Innovation and investments

Monitoring

Circular Economy: mapping resources

OUTLINE OF A CIRCULAR ECONOMY

PRINCIPLE

1

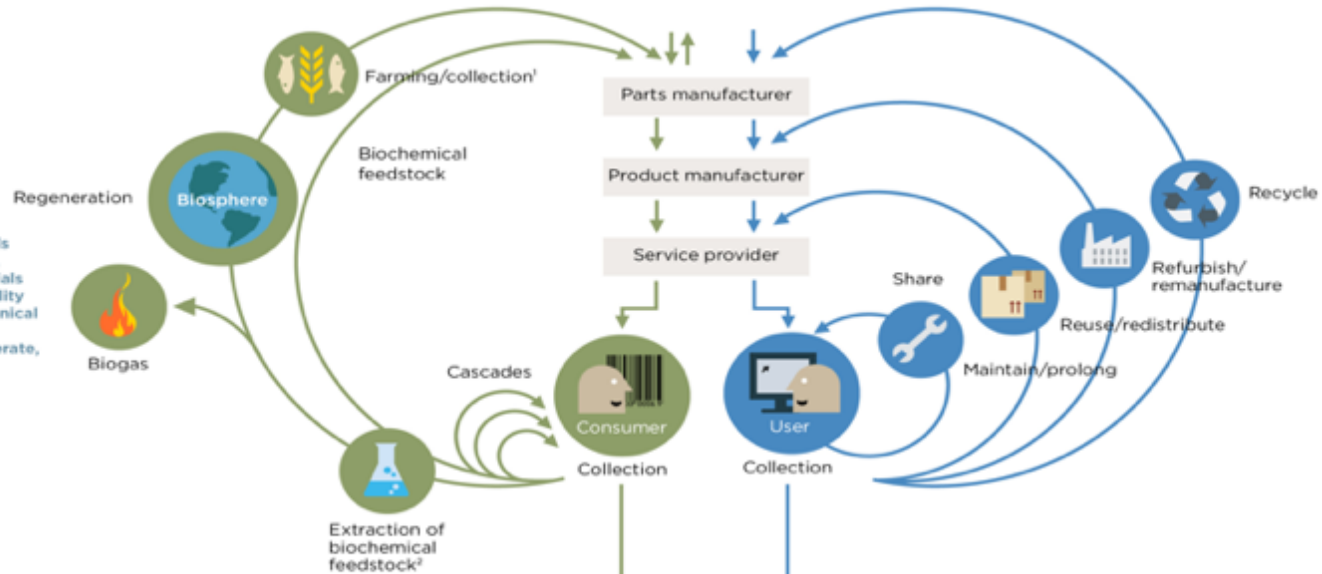
Preserve and enhance natural capital by controlling finite stocks and balancing renewable resource flows
ReSOLVE levers: regenerate, virtualise, exchange



PRINCIPLE

2

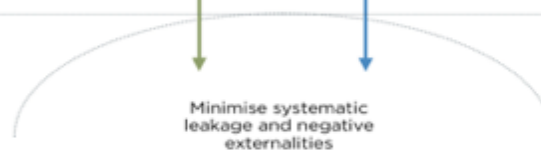
Optimise resource yields by circulating products, components and materials in use at the highest utility at all times in both technical and biological cycles
ReSOLVE levers: regenerate, share, optimise, loop



PRINCIPLE

3

Foster system effectiveness by revealing and designing out negative externalities
All ReSOLVE levers



1. Hunting and fishing
2. Can take both post-harvest and post-consumer waste as an input

Source: Ellen MacArthur Foundation, SUN, and McKinsey Center for Business and Environment; Drawing from Braungart & McDonough, Cradle to Cradle (C2C).

Circular Economy: 5 business model

Circular Value Chain: input coming from renewable resources or recycled/recyclable “raw” material

By-product as a new input: production process based on waste coming from different industries

Life-cycle: product conceived to last and made to be repaired or maintained easily

Product as a service: emphasis on the use of the product and not on the posses

Sharing platform: optimization of the product

LCA

Steps of an LCA

How to assess the environmental impact?



Carbon Footprint

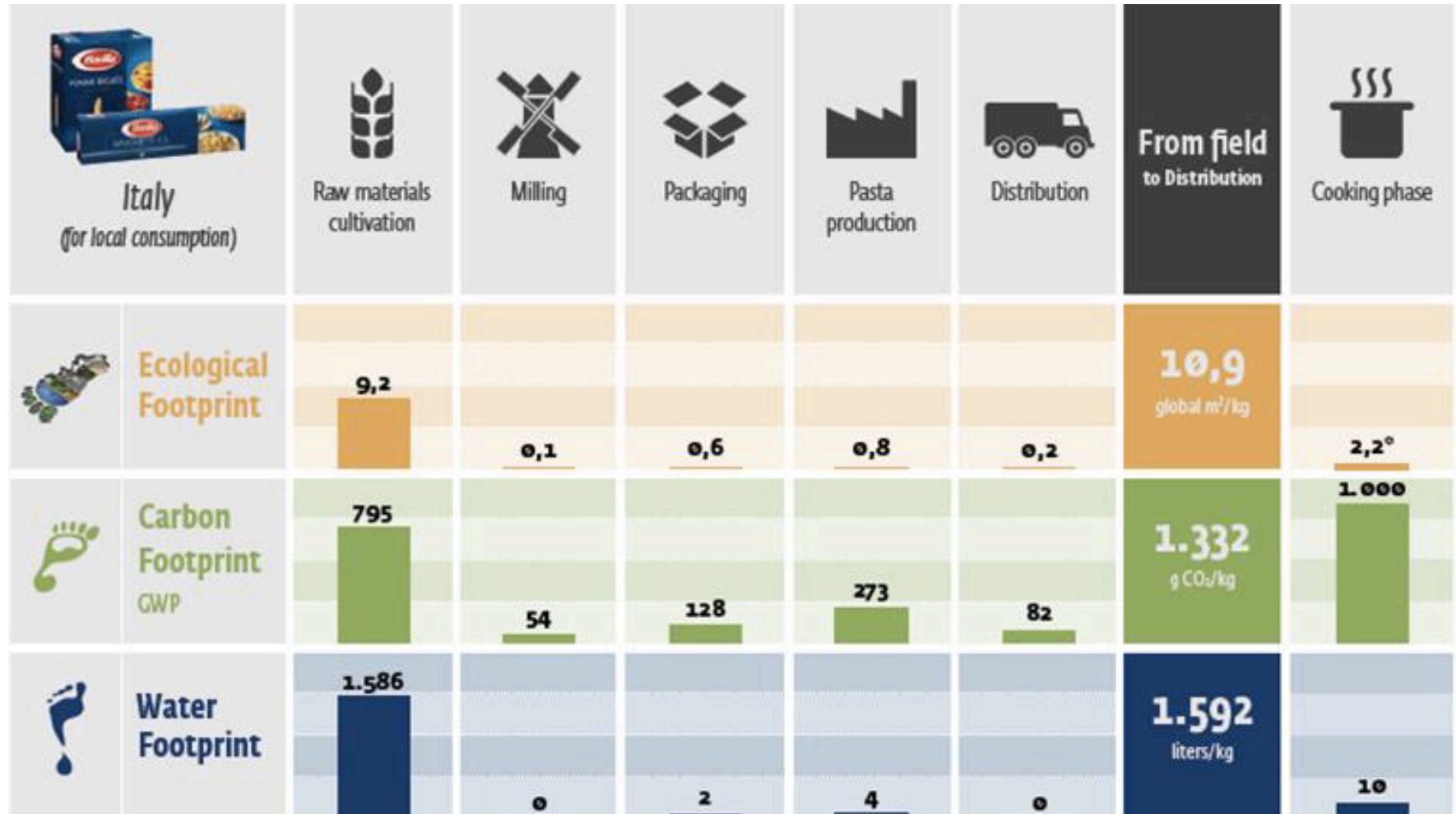
Temperature Anomalies by Country Years 1880 - 2017

2017



Data Source:
NASA, GISTEMP
<https://data.giss.nasa.gov/gistemp/>
Average of monthly temperature anomalies, GISTEMP base period 1951-1980.

Carbon Footprint

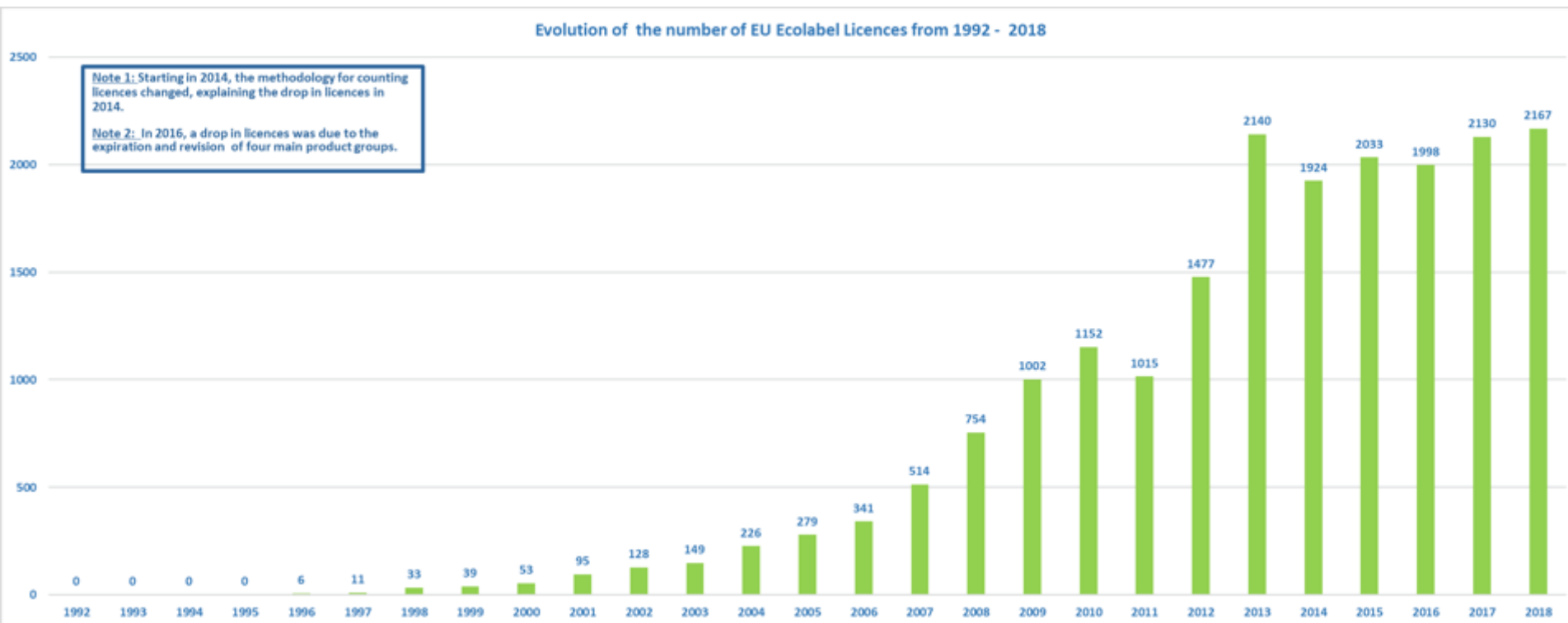


Ecolabel

The EU Ecolabel helps you identify products and services that have a reduced environmental impact throughout their life cycle, from the extraction of raw material through to production, use and disposal. Recognised throughout Europe, EU Ecolabel is a voluntary label promoting environmental excellence which can be trusted.



<http://ec.europa.eu/environment/ecolabel/success.html>



What are the benefits of EMAS registration ?

1

Improved environmental performance: 70% of registered organisations show improvement on nearly ALL environmental indicators*

2

Improved legislative compliance and hence less risk of sanctions

3

Better identification of overall corporate responsibilities: Better-defined roles and responsibilities, stronger awareness of teams

4

Fewer environmental accidents

5

Cost savings: Achieved through reuse, recycling, and decrease in resource use

6

Improved relations with stakeholders: Employees are more committed and external stakeholders value the transparency of the organisation

7

Regulatory relief: In some Member States, authorities provide advantages to EMAS-registered organisations, such as reductions in inspections or taxes

Social sustainability and business: workplace

Contents

- Mega-trends: society, community, human capital and implications
- European Union policies on social changes
- Operational tools for business World
- Future scenarios
- Cases of social sustainability in business

Figure 1: Trends in happiness and life satisfaction levels, by country, 2011–2016

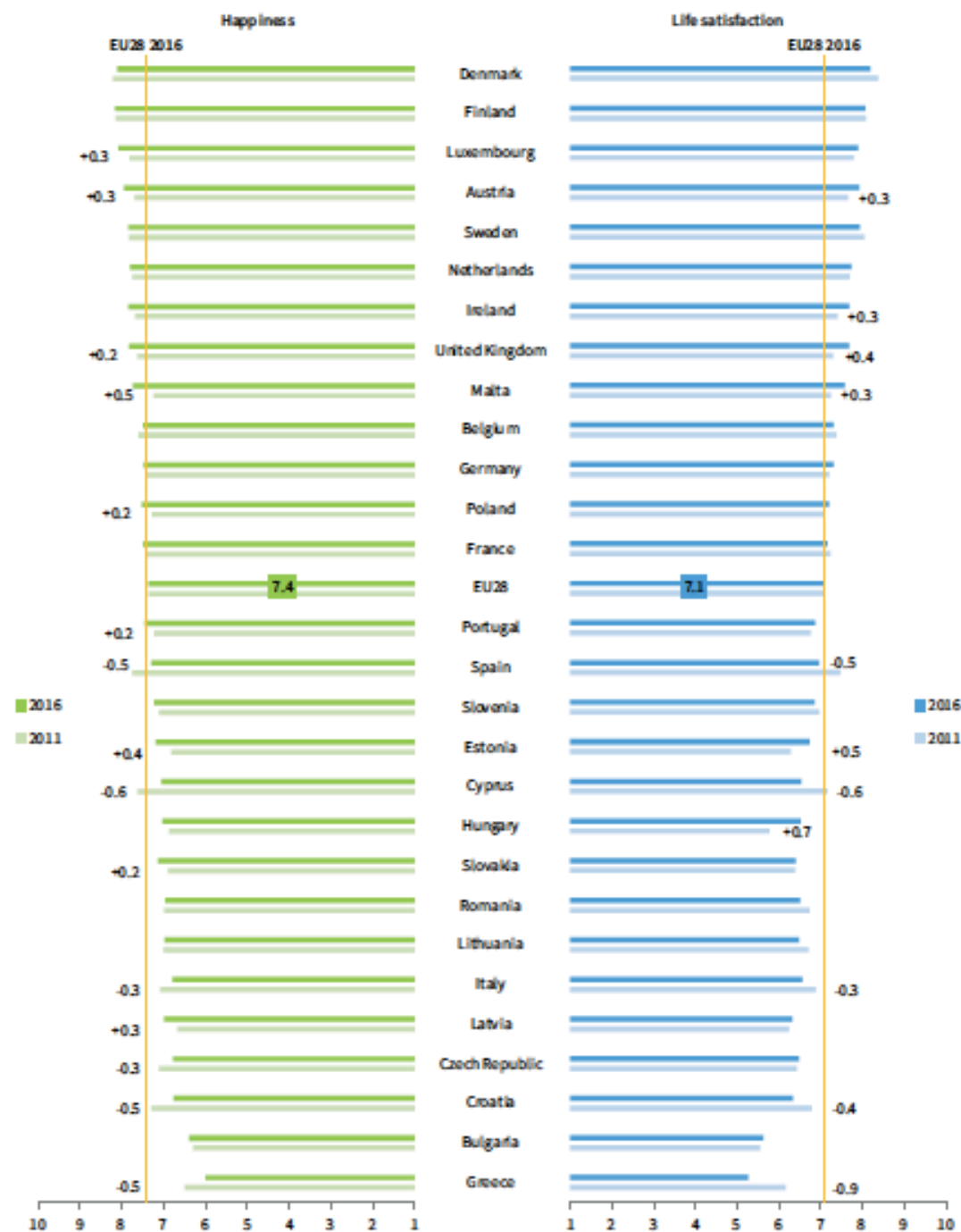


Figure 3: Life satisfaction ratings among different social groups



Figure 6: Optimism about own future and children's/grandchildren's future, 2016 (%)

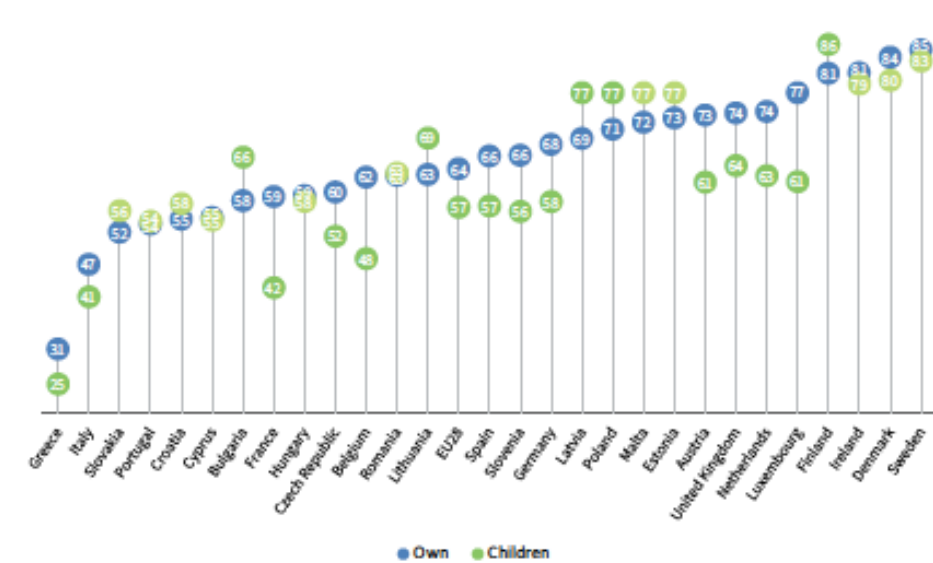


Table 7: Proportion of respondents in employment claiming that work-life balance issues occur at least several times a month (%)

| | Men | | | Women | | | EU28 |
|--|-------|-------|-------|-------|-------|-------|---------------|
| | 18-34 | 35-49 | 50-64 | 18-34 | 35-49 | 50-64 | Total (18-64) |
| Too tired from work to do household jobs | | | | | | | |
| 2007 | 50 | 50 | 44 | 51 | 48 | 48 | 49 |
| 2011 | 51 | 53 | 46 | 57 | 58 | 55 | 53 |
| 2016 | 57 | 61 | 53 | 66 | 62 | 59 | 60 |
| Difficulty in fulfilling family responsibilities because of time spent at work | | | | | | | |
| 2007 | 33 | 31 | 27 | 30 | 29 | 25 | 30 |
| 2011 | 28 | 33 | 25 | 29 | 33 | 27 | 30 |
| 2016 | 37 | 42 | 34 | 41 | 39 | 35 | 38 |
| Difficulty concentrating at work because of family responsibilities | | | | | | | |
| 2007 | 12 | 12 | 8 | 13 | 14 | 11 | 12 |
| 2011 | 13 | 14 | 11 | 15 | 18 | 13 | 14 |
| 2016 | 20 | 20 | 16 | 23 | 21 | 17 | 19 |

Table 8: Work-life balance related problems occurring at least several times a month (% of respondents in employment)

| | | Too tired from work to do household jobs | Difficulty fulfilling family responsibilities because of time spent at work | Difficulty concentrating at work because of family responsibilities |
|-----------------------------|---|--|---|---|
| Country cluster* | Nordic (Denmark, Finland, Sweden) | 53 | 26 | 13 |
| | Continental (Austria, Belgium, France, Germany, Luxembourg, Netherlands) | 55 | 33 | 15 |
| | Western Islands (Ireland, United Kingdom) | 66 | 37 | 17 |
| | Mediterranean (Cyprus, Greece, Italy, Malta, Portugal, Spain) | 60 | 39 | 21 |
| | Eastern Europe (Czech Republic, Croatia, Hungary, Poland, Slovakia, Slovenia) | 63 | 50 | 28 |
| | Baltic (Estonia, Latvia, Lithuania) | 60 | 43 | 23 |
| | Balkan (Bulgaria, Romania) | 67 | 51 | 31 |
| | EU28 | 60 | 38 | 19 |
| Occupational class** | Managers/Professionals | 59 | 38 | 15 |
| | White-collar | 57 | 35 | 19 |
| | Blue-collar | 64 | 45 | 23 |
| Type of contract | Permanent contract | 59 | 36 | 18 |
| | Fixed-term contract | 62 | 45 | 22 |
| | No contract | 63 | 39 | 21 |
| | EU28 | 60 | 38 | 19 |
| Number of children under 18 | None | 58 | 35 | 18 |
| | 1 | 62 | 43 | 22 |
| | 2 | 58 | 41 | 21 |
| | 3+ | 67 | 45 | 25 |
| | EU28 | 60 | 38 | 19 |
| Hours worked per week | 1-29 | 49 | 23 | 15 |
| | 30-39 | 56 | 31 | 18 |
| | 40-49 | 60 | 40 | 19 |
| | 50+ | 73 | 59 | 26 |
| | EU28 | 60 | 38 | 19 |

EU policies: The Pillar of Social Rights

Chapter I: Equal opportunities and access to the labour market

1. Education, training and life-long learning
2. Gender equality
3. Equal opportunities
4. Active support to employment

Chapter II: Fair working conditions

5. Secure and adaptable employment
6. Wages
7. Information about employment conditions and protection in case of dismissals
8. Social dialogue and involvement of workers
9. Work-life balance
10. Healthy, safe and well-adapted work environment and data protection

Chapter III: Social protection and inclusion

11. Childcare and support to children
12. Social protection
13. Unemployment benefits
14. Minimum income
15. Old age income and pensions
16. Health care
17. Inclusion of people with disabilities
18. Long-term care
19. Housing and assistance for the homeless
20. Access to essential services

Top 10 skills

in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgment and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility



Source: Future of Jobs Report, World Economic Forum

in 2015

1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. Quality Control
7. Service Orientation
8. Judgment and Decision Making
9. Active Listening
10. Creativity

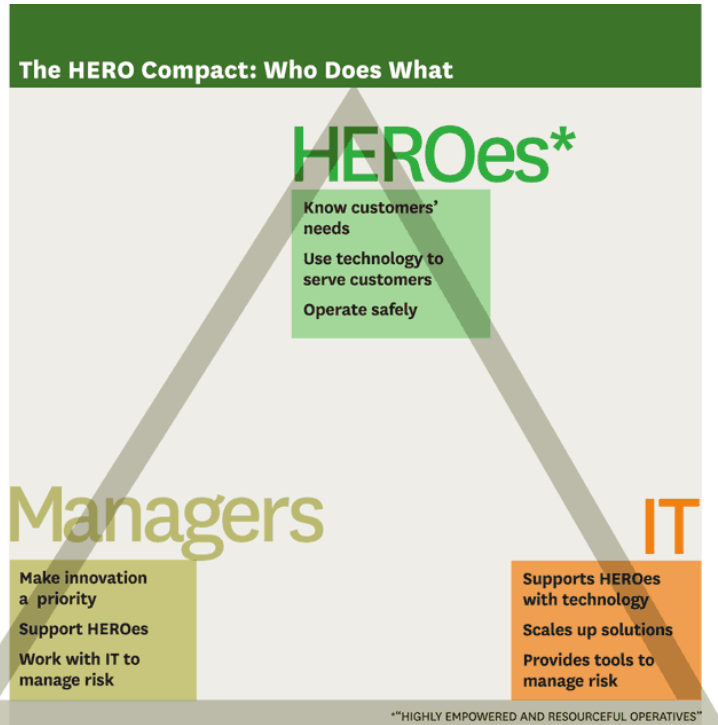


Table 4.1 – Employment shares, estimated proportion and total number of employees at potential high risk of automation for all UK industry sectors

| Industry | Employment share (%) | Job automation (% at potential high risk) | Jobs at high risk of automation (millions) |
|---|----------------------|---|--|
| Wholesale and retail trade | 14.8% | 44.0% | 2.25 |
| Manufacturing | 7.6% | 46.4% | 1.22 |
| Administrative and support services | 8.4% | 37.4% | 1.09 |
| Transportation and storage | 4.9% | 56.4% | 0.95 |
| Professional, scientific and technical | 8.8% | 25.6% | 0.78 |
| Human health and social work | 12.4% | 17.0% | 0.73 |
| Accommodation and food service | 6.7% | 25.5% | 0.59 |
| Construction | 6.4% | 23.7% | 0.52 |
| Public administration and defence | 4.3% | 32.1% | 0.47 |
| Information and communication | 4.1% | 27.3% | 0.39 |
| Financial and insurance | 3.2% | 32.2% | 0.35 |
| Education | 8.7% | 8.5% | 0.26 |
| Arts and entertainment | 2.9% | 22.3% | 0.22 |
| Other services | 2.7% | 18.6% | 0.17 |
| Real estate | 1.7% | 28.2% | 0.16 |
| Water, sewerage and waste management | 0.6% | 62.6% | 0.13 |
| Agriculture, forestry and fishing | 1.1% | 18.7% | 0.07 |
| Electricity and gas supply | 0.4% | 31.8% | 0.05 |
| Mining and quarrying | 0.2% | 23.1% | 0.01 |
| Domestic personnel and self-subsistence | 0.3% | 8.1% | 0.01 |
| Total for all sectors | 100% | 30% | 10.4 |

Sources: ONS for employment shares (2015); PwC estimates for last two columns using PwC data

Tools



reviews.greatplacetowork.com

Social Accountability 8000



It specifies requirements for social accountability to enable a company to:

- develop, maintain, and enforce policies and procedures in order to manage those issues which it can control or influence;
- demonstrate to interested parties that policies, procedures and practices are in conformity with the requirements of this standard.

SA requirements

- 1) Child labour
- 2) Forced labour
- 3) Health and safety
- 4) Freedom of association & right to collective bargaining
- 5) Discrimination
- 6) Disciplinary practices
- 7) Working hours
- 8) Remuneration
- 9) Management system

Tools: corporate welfare

INIZIATIVE PER I DIPENDENTI

Promozione della work-life integration



Flessibilità oraria



Smartworking



Welcome on board



Presenta un amico



Anniversary



Christmas Trip



Outdoor Day



Sport interni



Convenzione sulla palestra



Convenzione
con ATM



Corsi di yoga



Corsi di pilates



Massaggi



Mindfulness



Mappatura Nei



Concierge



Mum/Dad's corner



Free break e frutta bio



Buoni pasto di 10 €



Open day



Tea time



DAI BENEFIT AL TOTAL WELFARE

- Finalità: valorizzare i diversi elementi che determinano il sistema retributivo di Subito per passare da una gestione più tradizionale dei benefit all'implementazione di un piano di welfare.
- Rendere le persone consapevoli del sistema di Total Reward presente in azienda.



IL TOTAL WELFARE @ SUBITO

- Retribuzione fissa
- Retribuzione variabile



COMPENSATION



WELFARE

- Smart Working fino al 20% del proprio tempo di lavoro
- Convenzioni
- Bonus Bebè
- Frutta biologica
- Ticket restaurant da 10 €

- Erogate 9.749 ore di formazione (62 ore a dipendente)
- Kudos per promozione cultura del feedback positivo



TALENT & PERFORMANCE



AMBIENTE DI LAVORO

- Survey What's Happy per monitoraggio engagement
- Great Place to Work
- Workshop con HR per condivisione risultati e action plan
- Spazi di lavoro che abilitano le 4 C (comunicazione, collaborazione, concentrazione, contemplazione)



DAI BENEFIT AL TOTAL WELFARE



External social issues and the stakeholder engagement

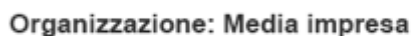
| LEVEL OF ENGAGEMENT | METHODS OF ENGAGEMENT |
|---|---|
| Remain Passive <i>No active communication</i> | <ul style="list-style-type: none"> Stakeholder concern expressed through protest Letters Media Websites etc. |
| Monitor <i>One-way communication: stakeholder to organisation</i> | <ul style="list-style-type: none"> Media and Internet tracking. Second-hand reports from other stakeholders possibly via targeted interviews. |
| Advocate <i>One-way communication: organisation to stakeholder</i> | <ul style="list-style-type: none"> Pressure on regulatory bodies Other advocacy efforts through social media Lobbying efforts |
| Inform <i>One-way communication: organisation to stakeholder, there is no invitation to reply</i> | <ul style="list-style-type: none"> Bulletins and letters Brochures Reports and websites Speeches, conference and public presentations |
| Transact <i>Limited two-way engagement: setting and monitoring performance according to terms of contract</i> | <ul style="list-style-type: none"> 'Public- Private partnerships' Private Finance Initiatives Grant-making Cause-related marketing. |
| Consult <i>Limited two-way engagement: organisation asks questions, stakeholders answer</i> | <ul style="list-style-type: none"> Surveys Focus groups Meetings with selected stakeholder/s Public meetings Workshops |
| Negotiate <i>Limited two-way engagement: discuss a specific issue or range of issues with the objective of reaching consensus</i> | <ul style="list-style-type: none"> Collective bargaining with workers through their trade unions |
| Involve <i>Two-way or multi-way engagement: learning on all sides but stakeholders and organisation act independently</i> | <ul style="list-style-type: none"> Multi-stakeholder forums Advisory panels Consensus building processes Participatory decision-making processes Focus groups Online engagement tools |
| Collaborate <i>Two-way or multi-way engagement: joint learning, decision making and actions</i> | <ul style="list-style-type: none"> Joint projects Joint ventures Partnerships Multi-stakeholder initiatives Online collaborative platforms |
| Empower <i>New forms of accountability; decisions delegated to stakeholders; stakeholders play a role in shaping organisational agendas</i> | <ul style="list-style-type: none"> Integration of stakeholders into governance, strategy and operations of the organisation |

Economic sustainability and business

Business and economic sustainability: contents

- Mega-trends: economic transformations and their implications
- European Union policies on economic issues
- Operational tools for business World
- Future scenarios
- Cases of economic sustainability in business

Social footprint



Economic sustainability and business

Responsible investments in EU

FIGURE 2: Growth of Sustainability Themed Investments in Europe



Source: Eurosif

Table 3: Growth of Norms-based Screening Investments by Country

| Country (€ Mn) | 2011 | 2013 | CAGR |
|----------------|-------------|-------------|------|
| Austria | € 3,862 | € 5,467 | 19% |
| Belgium | € 19,744 | € 20,235 | 1% |
| Finland | € 62,336 | € 64,667 | 2% |
| France | € 679,566 | € 1,119,040 | 28% |
| Germany | € 11,255 | € 10,177 | -5% |
| Italy | € 314,248 | € 351,754 | 6% |
| Netherlands | € 166,359 | € 746,125 | 112% |
| Norway | € 550,834 | € 798,682 | 20% |
| Poland | € 13 | € 773 | 671% |
| Spain | € 1,119 | € 14,247 | 257% |
| Sweden | € 259,346 | € 420,718 | 27% |
| Switzerland | € 192 | € 10,454 | 638% |
| United Kingdom | € 63,520 | € 71,456 | 6% |
| Europe (13) | € 2,132,394 | € 3,633,794 | 31% |

Source: Eurosif



<https://materiality.sasb.org/>

Economic sustainability and business

Si strategies:

Exclusion

1. **Value-based screening** is referred to the deliberate exclusion of a company's activities because are against investor's personal values
2. **Norm-based screening**, which is linked to the exclusion of business activities that are not compliant with ESG standards, that are legally required. For instance, an activity that is against the standards of the UN Global Compact.

Intergation

1. *"Principle 1: Incorporate ESG issues into investment analysis and decision-making processes.*
2. *Principle 2: Be active owners and incorporate ESG issues into our ownership policies and practices.*
3. *Principle 3: Seek appropriate disclosure on ESG issues by the entities in which we invest.*
4. *Principle 4: Promote acceptance and implementation of the Principles within the investment industry.*
5. *Principle 5: Work together to enhance our effectiveness in implementing the Principles.*
6. *Principle 6: Report on our activities and progress towards implementing the Principles."* (UN PRI, 2005).

Economic sustainability and business

Best in class

- **Best-in-sector approach**, as the term suggests, it is related to the identification of the companies that best performs in a defined market sector.
 - **Best-in-universe approach** considers companies that are high-ranked, independently from the sector in which they operate, excluding those that are not relevant in terms of ESG impacts.
 - **Best-effort** or **Best-progress approach** focuses on including only companies that have spread best ESG practices and that have made more progress.
-

Shareholder engagement

- **'activism'** is related to 'aggressive practices' that aims to influence the governance and the management of a company. Sometimes, especially in the U.S., it is concerned with the use of media to promote engagement actions. This kind of approach has been particularly favored in the United states since shareholders are dispersed and portfolios are diversified.
- **Active engagement**, instead, makes use of shareholders' rights to have an impact on firms' behavior and to drive a positive change towards responsible practices. Dialogue, discussions between investors and companies are the main weapons to influence the companies' management. According to P. Brown *et al.* (2011), researches suggest that it is becoming relevant in the European region, such as in the UK, where the engagement is more private than public.