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INTRO to Sustainability – PRACTICAL ASPECTS

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What is sustainability

1987 - Brundtland Commission “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

How did sustainability take-off on its current form?

UN Compact (2015) set 10 Principles and 17 SDGs – high level aspirational targets

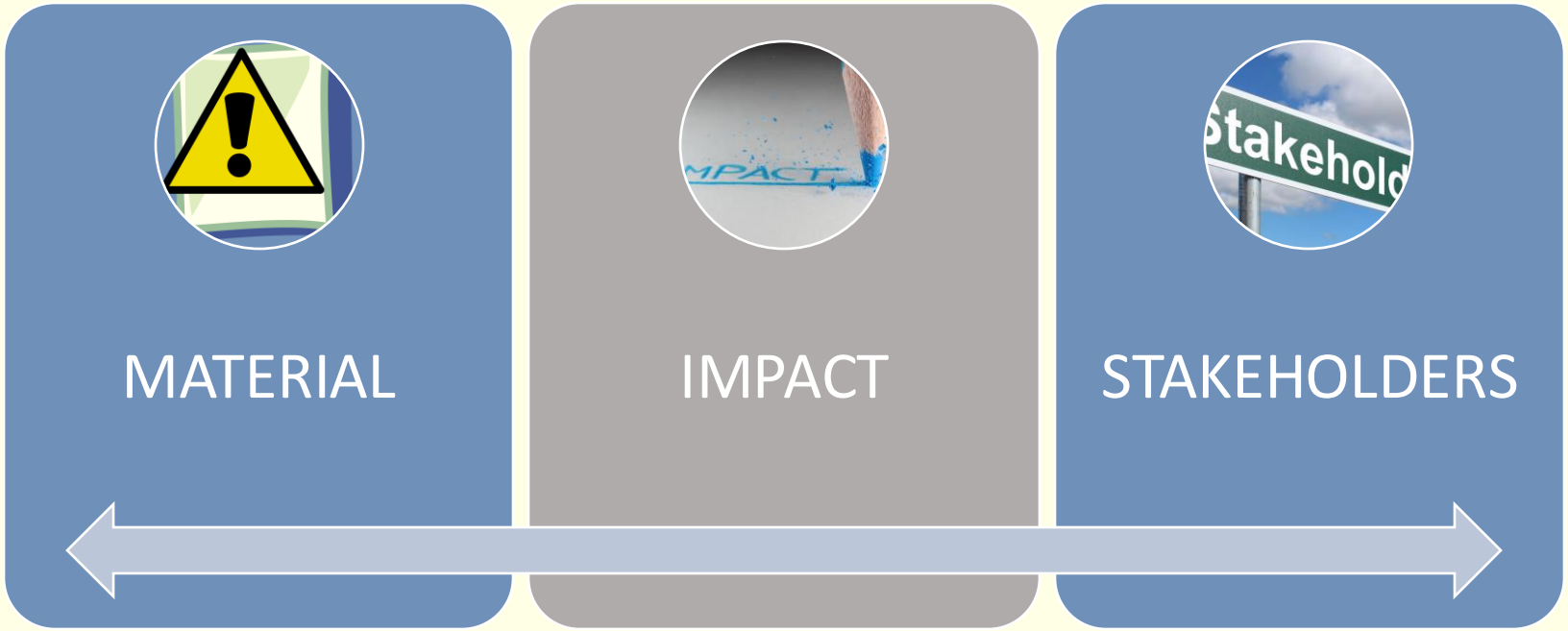
SDGs includes 169 targets and 232 unique indicators

Any organization including businesses can contribute to sustainable development – not just governments or NGOs

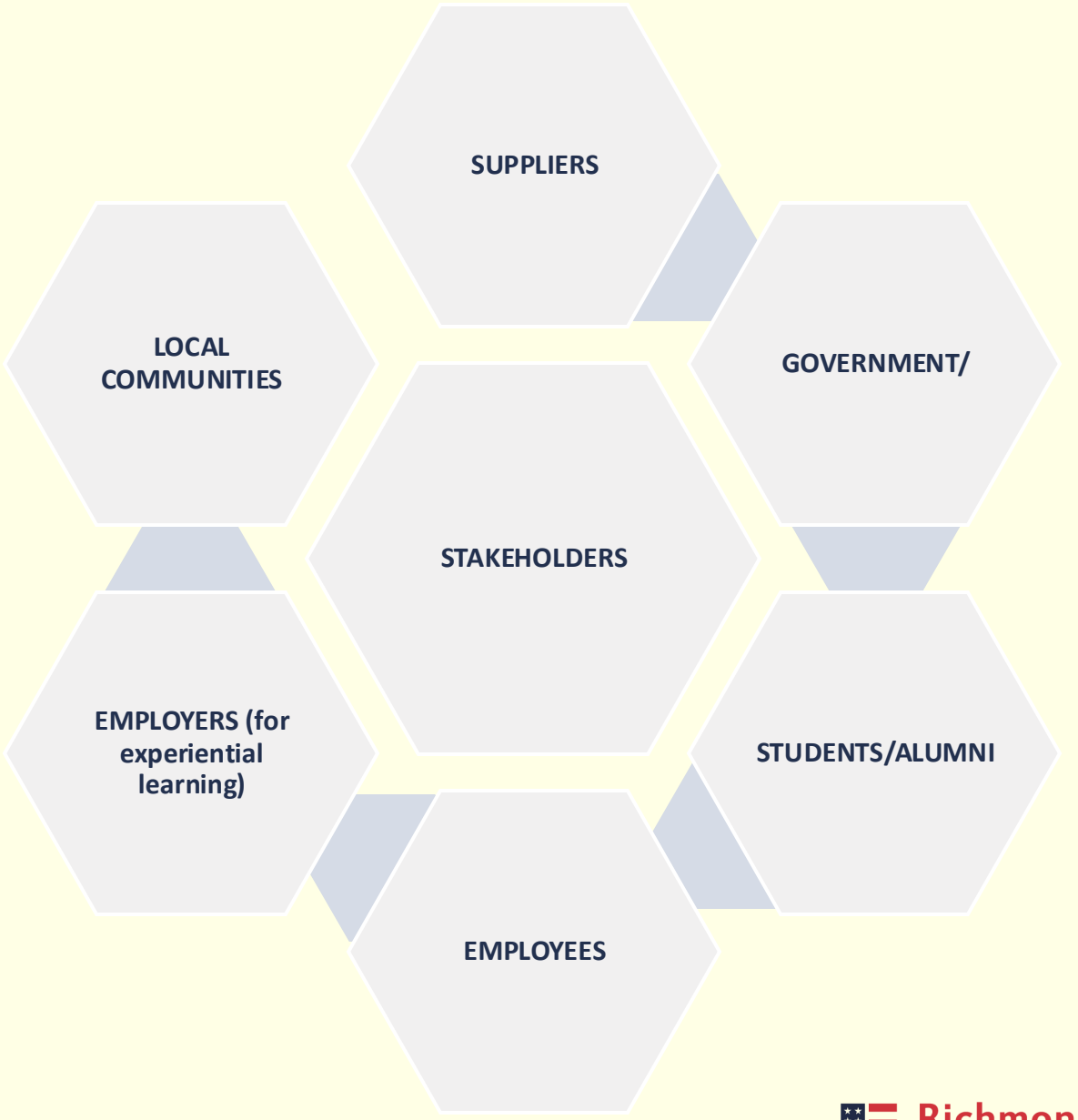
SUSTAINABLE DEVELOPMENT GOALS



IMPACT ON STAKEHOLDERS – KEY CONCEPTS



WHO ARE THE ORGANIZATION'S STAKEHOLDERS



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SO WHAT IS SUSTAINABLE MANAGEMENT?

- It is managing considering the impacts that the organization activities cause on stakeholders
- Three dimensions: governance/economic, social and environmental

WHAT IS THE BIG ISSUE

- The concept of externalities
- Is it fair
- Should we account for it
- Does that mean that the valuation of companies would be different?
- What happens if you are an investor?



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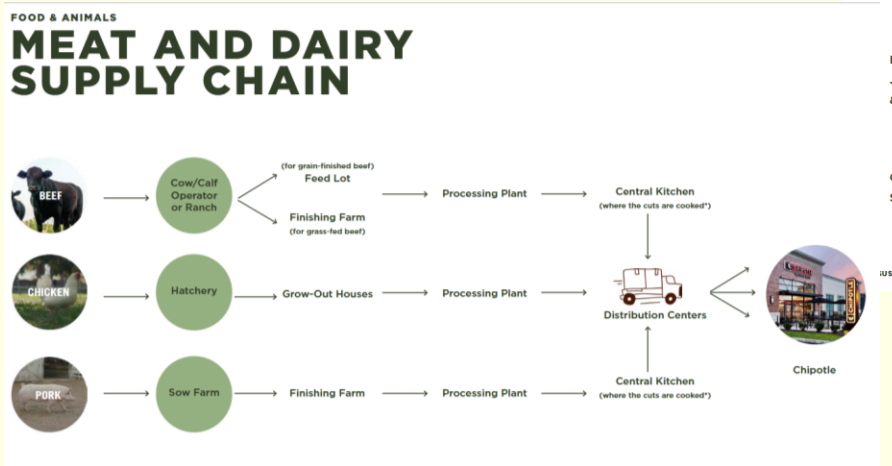
Two examples of integrated accounting

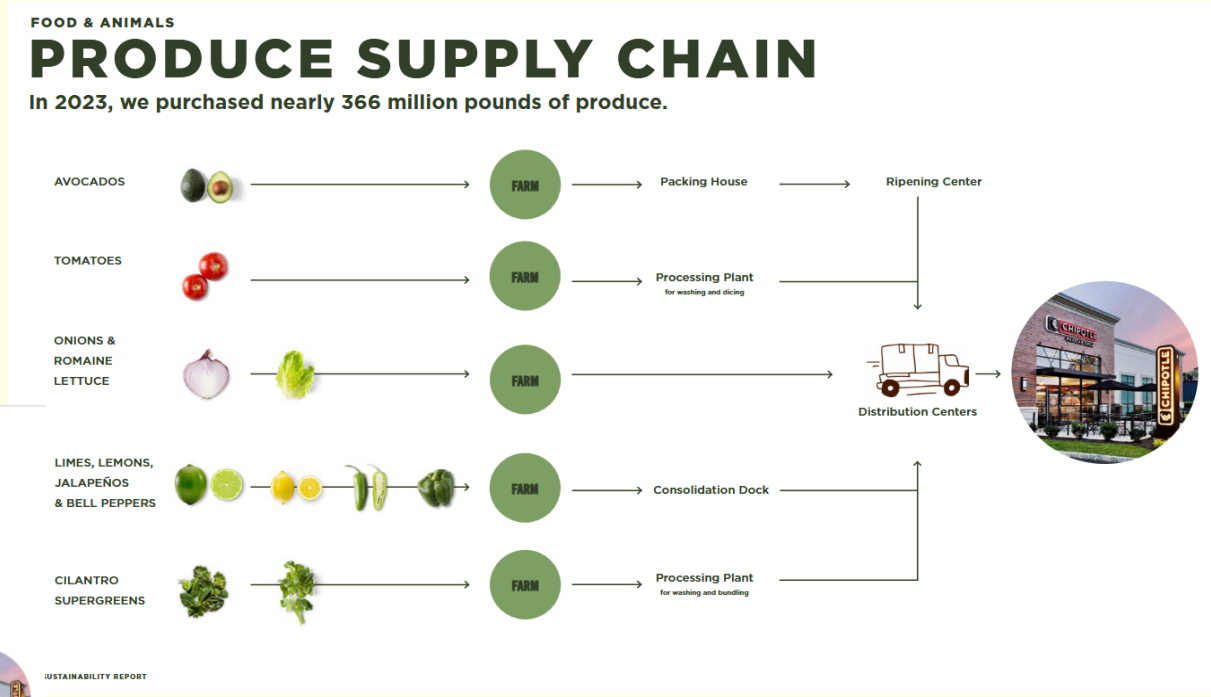
Mapping impacts – A value chain approach – a sector approach



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Example: Value Chain at Restaurant Chain





Source: Chipotle

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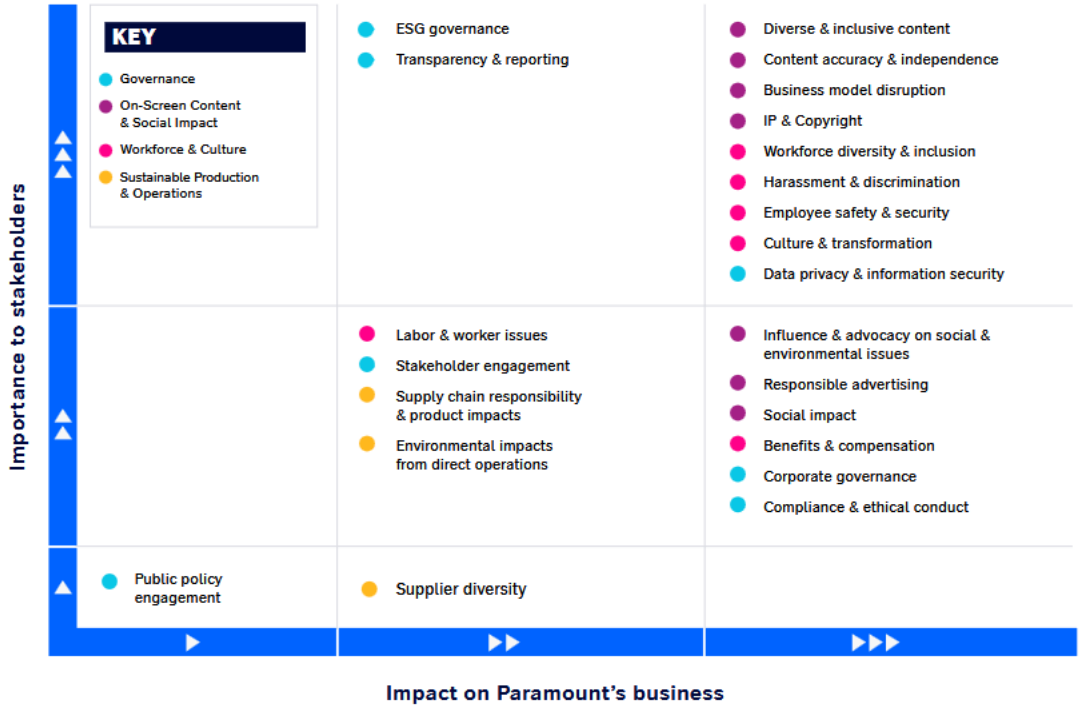
Materiality – Video streaming company

OUR MOST IMPORTANT TOPICS

The foundation for our ESG strategy is our 2020 company-wide ESG materiality assessment, which identified the most important ESG-related risks and opportunities across our business globally. It is based on insights from internal and external stakeholders, a review of major reporting and evaluation frameworks, peer benchmarking, and extensive tracking of stakeholders' positions on key issues.

Our assessment is informed by double materiality principles — taking into consideration not only our impacts on the environment and society, but also how ESG issues affect our company's bottom line.

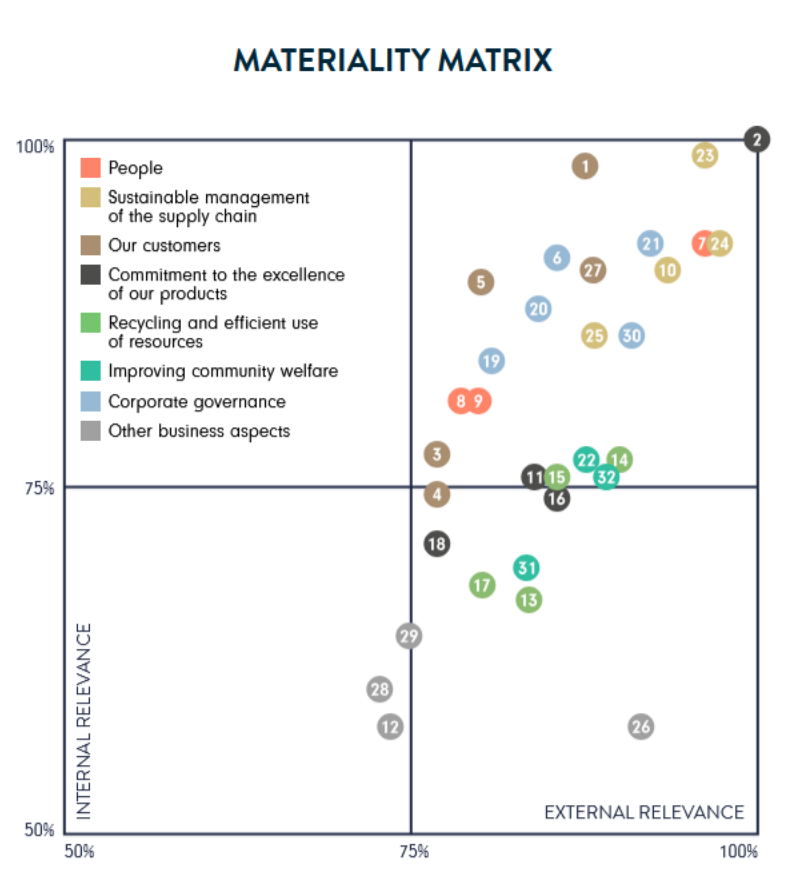
Our Board of Directors, senior leadership team, and other key ESG leaders across the company reviewed and validated the assessment. For more details, including definitions of key topics, see our Materiality Assessment Report.



Source: Paramount ESG report

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A materiality matrix



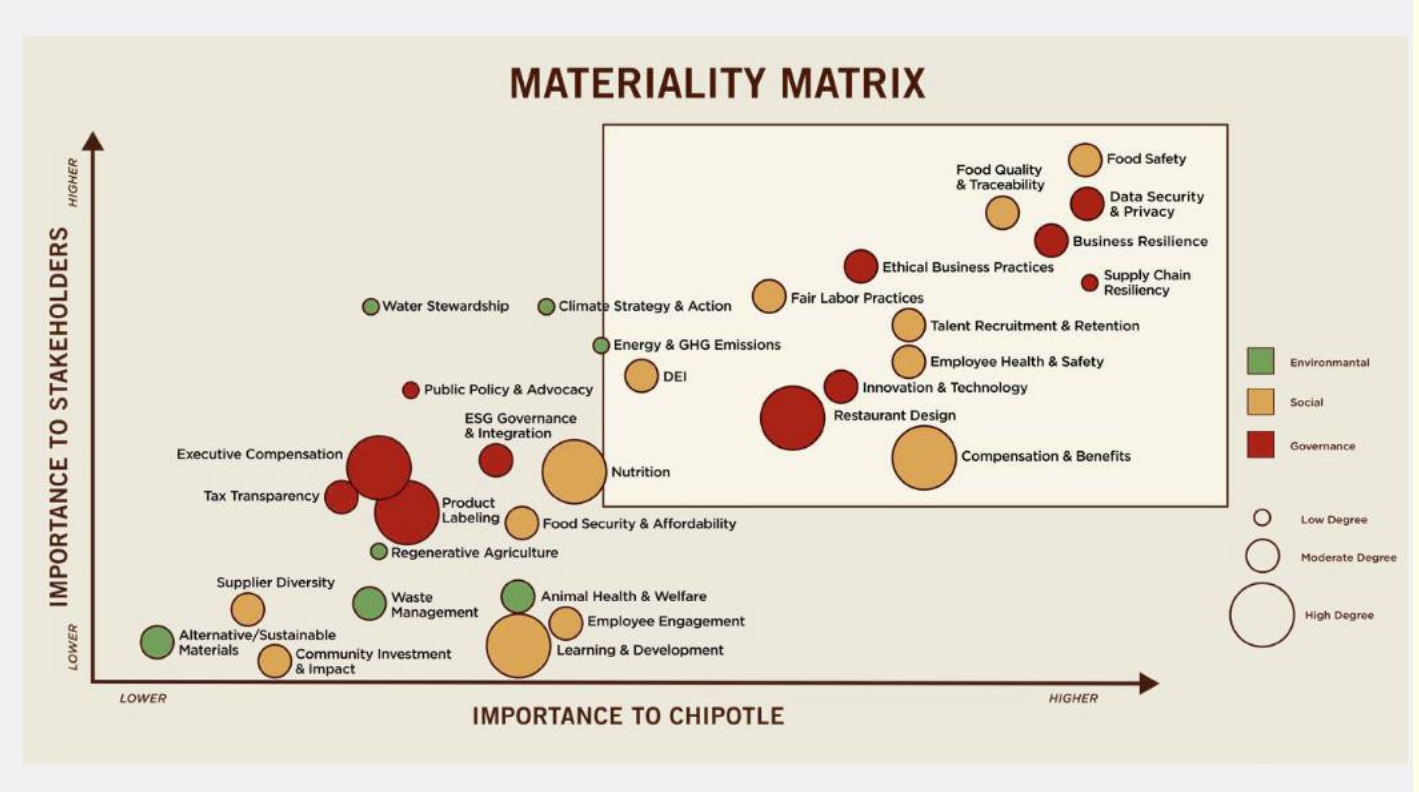
1 Commitment to customers.
2 Product quality, health and safety.
3 Product information and labelling.
4 Changes in consumption habits.
5 New sales channels.
6 Security and protection of data and information systems.
7 Labour practices.
8 Attracting and retaining talent.
9 Developing human capital.
10 Health and safety at suppliers and manufacturers.
11 Eco-Design.
12 Volatility of raw material prices.
13 Energy consumption and GHGs.
14 Water consumption and controlling discharges.
15 Waste control and management.
16 Managing product end-of-life and recycling systems.
17 Protecting biodiversity.
18 Animal welfare.
19 Corporate governance.
20 Transparency and tax contribution.
21 Compliance with regulations and responsible practices.
22 Socio-economic impact on the community.
23 Human Rights and industrial relations in the supply chain.
24 Traceability of the supply chain.
25 Responsible purchasing practices.
26 Changes in regulation.
27 Logistics model.
28 Expansion in new markets.
29 Exposure in mature markets.
30 Risk management and control systems.
31 Investment in the community.
32 Stakeholder engagement and dialogue.

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Source: Inditex Sustainability Report

Another Materiality Assessment



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Source: Chipotle Sustainability Report

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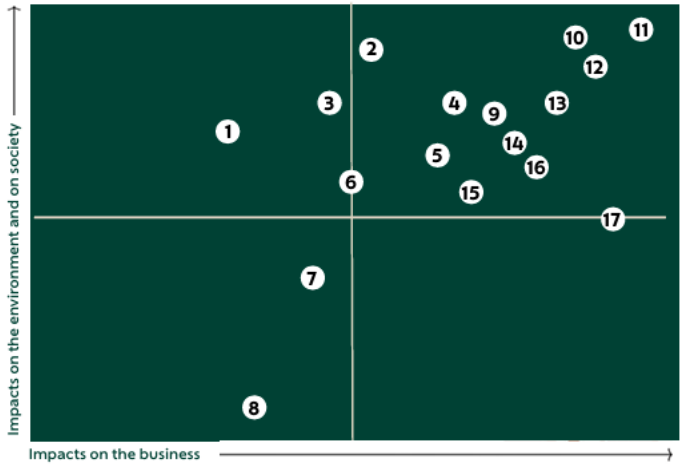
And one more!

Natura &Co material topics

GRI 3-2

Material topics	Specific topics	Description
ENGAGEMENT IN THE VALUE CHAIN	Circularity	increase sustainability in the product design, promote sustainable supply, manage water resources, reduce the use of disposable plastics, and boost innovation.
	Distribution of value	Generate a positive impact on the community, foster diversity and inclusion, and prioritize employee health and wellbeing.
SOCIO-ENVIRONMENTAL IMPACT	Regeneration of nature	Address biodiversity, promote regeneration, and combat deforestation.
	Social regeneration	Defend human rights and combat social inequality.
SYSTEMIC CHANGE	Climate action	achieve carbon neutrality by 2050 and reducing our absolute emissions by 42% by 2030, in compliance with the 1.5°C scenario approved by the Science Based Targets initiative (STBi).

Details about the material topics



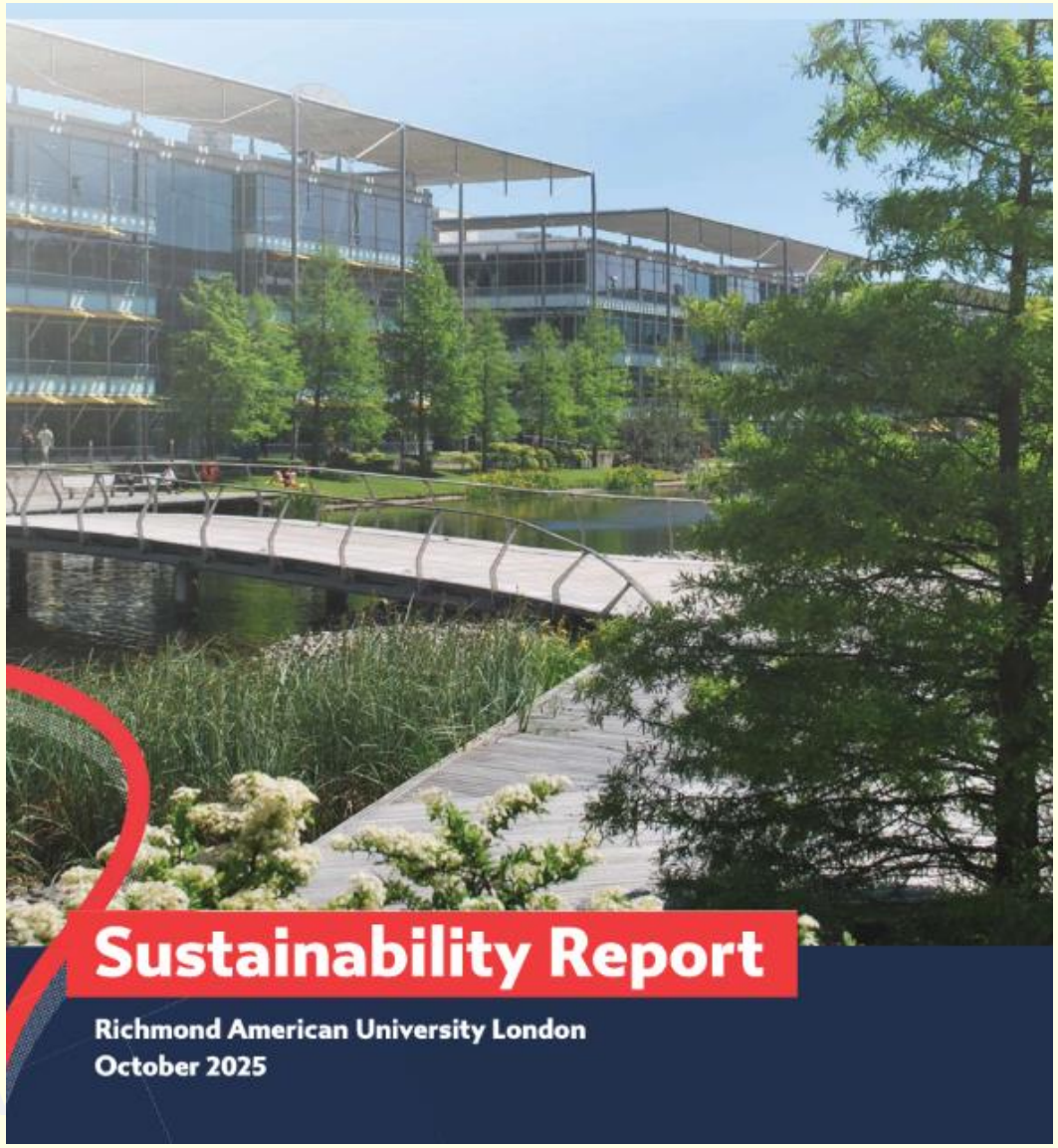
1. Poverty/Means of subsistence (including a decent wage)
2. Managing waste and effluents (except packaging)
3. Impact on the community
4. Sustainable supply (managing ingredients)
5. Diversity and inclusion
6. Biodiversity
7. Governance and responsibility
8. Quality and safety of the products (including management of recalls)
9. Human Rights (internally and in the procurement chain)
10. Collaborators' health and wellbeing
11. Climate action
12. Circularity / packaging (recycling and alternative sources)
13. Water management
14. Regeneration of nature/ Managing natural resources/Land use
15. Deforestation (impact along the value chain)
16. Ethics and integrity (including bribery and anti-corruption)
17. Design and life cycle of the product (including the carbon footprint)

Source: Natura Sustainability Report

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Richmond's Sustainability Report



https://www.unprme.org/prme-students/

PRME
an initiative of the
United Nations Global Compact

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A practical approach to sustainability



- Understand the **impact** of an organization on the environment, society and economy
- Consider the **impact of climate and nature on the organization**
- Through engaging all **stakeholders**
- Consider the entire **value chain** and **business relations**
- Take a **bottom-up and top-down** approach which is also **cross-functional**
- Consider initiatives regarding both **avoiding negative impact** but also creating **positive impact – innovation**



Any questions?

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Additional sources

- *Business reporting on the sdgs: An analysis of the goals and targets - updated edition 2022: UN Global Compact* (no date) *Business Reporting on the SDGs: An Analysis of the Goals and Targets - updated edition 2022 | UN Global Compact*. Available at: https://unglobalcompact.org/library/5361 (Accessed: 10 November 2025).
- *Sustainability* (no date b) *Paramount*. Available at: https://www.paramount.com/inclusion-impact/sustainability (Accessed: 10 November 2025).
- *Sustainability at Chipotle - Chipotle mexican grill* (no date) *Chipotle*. Available at: https://www.chipotle.com/sustainability (Accessed: 10 November 2025).
- *Annual reports - Natura RI* (2025) *Natura RI*. Available at: https://ri.natura.com.br/en/sustainability/annual-reports/.
- Inditex (2024) *INDITEX | Sustainability*, *Inditex.com*. Available at: https://www.inditex.com/itxcomweb/es/en/sustainability
- PRME (2023) *PRME - Principles for Responsible Management Education*, *www.unprme.org*. Available at: https://www.unprme.org