

# Business Seminar – Sustainability

**Sustainability – April 3rd 2025**

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# Business Seminar

## AGENDA

1. Sustainability: A traditional perspective
2. A new way to look at sustainability
3. How should companies address sustainability?





# **A traditional perspective of sustainability**





# Key Question:

How would you define  
sustainability?

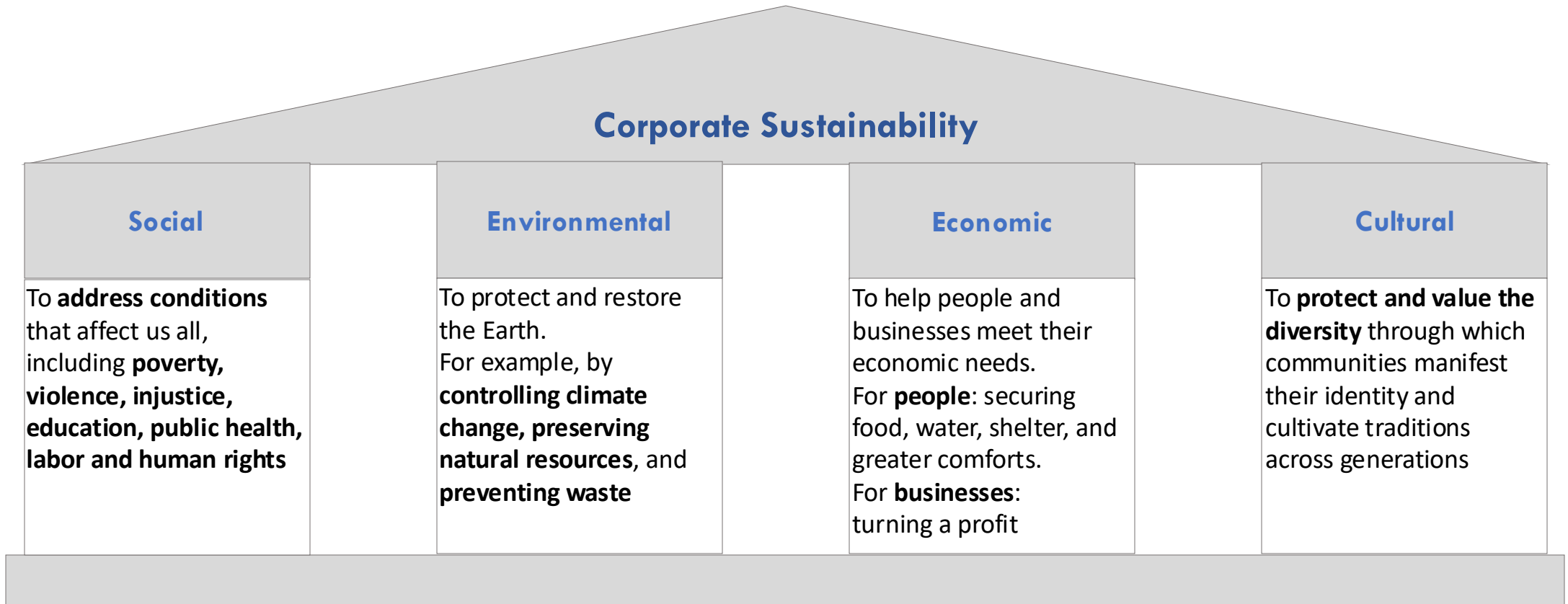


According to Cambridge dictionary:

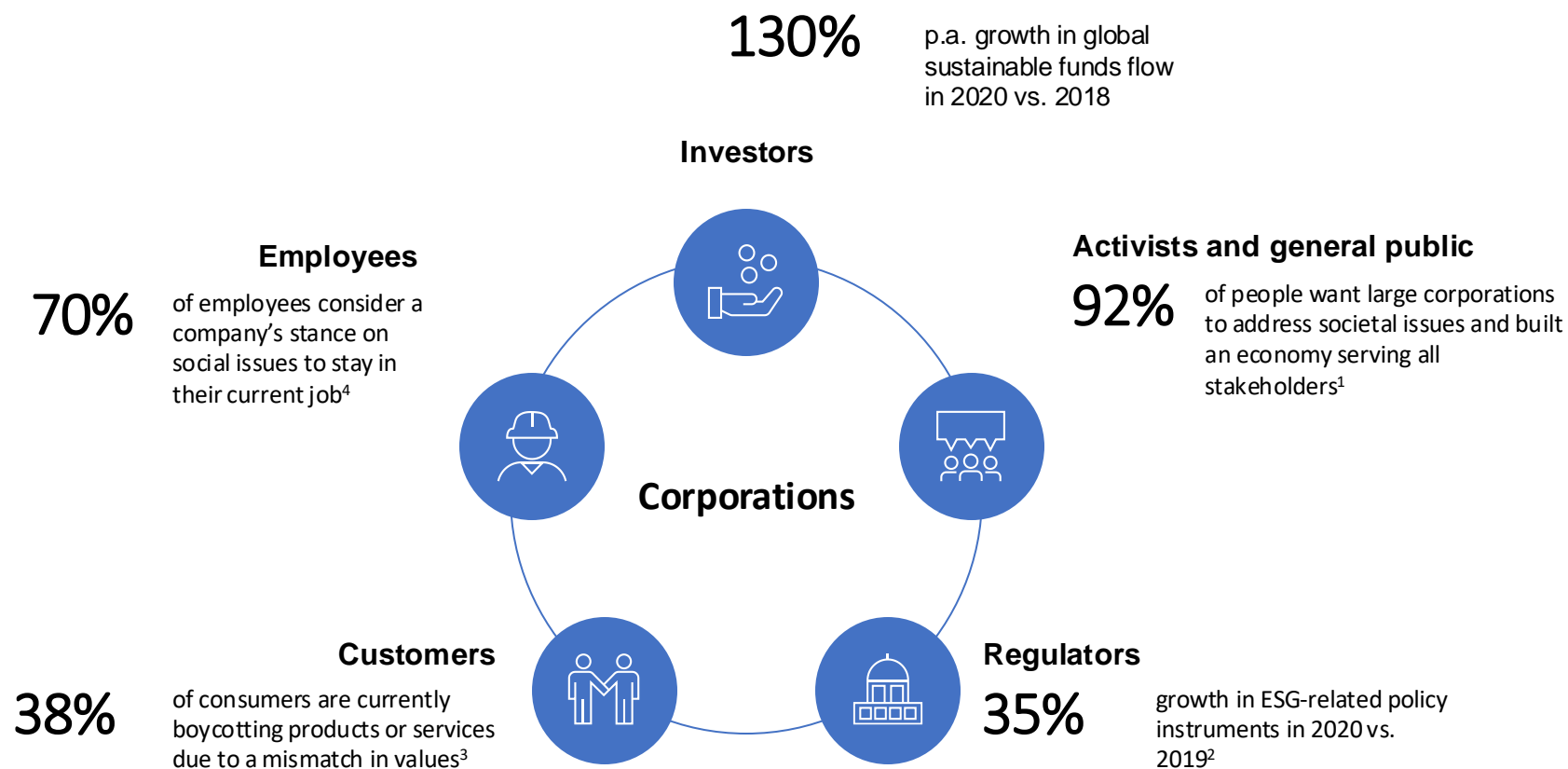
“Sustainability is the quality of being able to continue over a period of time”

# In simple terms, sustainability is about meeting the necessities of the present, without compromising future needs

Corporate sustainability should consider **four key pillars**:



# And in fact, pressure for sustainability has increased dramatically in recent years



1. Just Capital 2020 Roadmap for Stakeholder Capitalism  
2. According to PRI  
3. 2020 Compare Card's survey – 87% of consumers say they would boycott according to a 2017 Cone communications CSR study  
4. 2019 Brunswick Insight survey

Source: McKinsey Consumer Survey, April 2019



# **A new way to look at sustainability**





# Today, investing in sustainability is much more than “wanting to be green”

## *Green as an end*



Meet targets and sustainability index



Build, maintain or improve corporate reputation



Align company's business goals with stated mission or values

Traditional approach

## *Good business opportunities as an end*



Increase customer base promoting development of emerging countries



Improve operational efficiency and lower costs

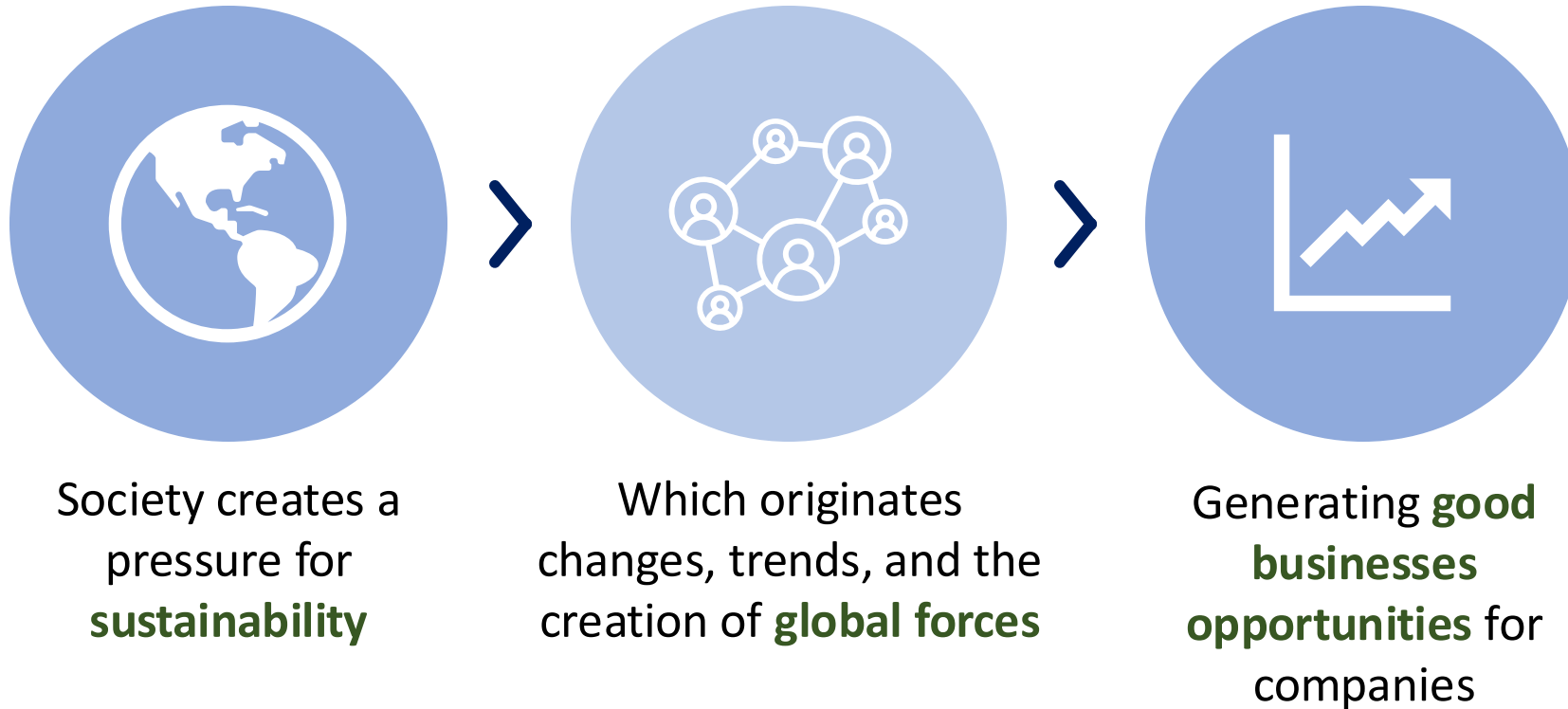


Increase resource productivity

A new way of looking into sustainability

Source: McKinsey Consumer Survey, April 2019

Also, society's concerns with sustainability can drive good business for companies





# **How should companies address sustainability?**





# In September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development

This includes 17 goals which aim at identifying and overcoming key development issues for humanity



A photograph of a modern building with a glass facade and a paved walkway. The building is on the right side of the frame, and the walkway leads towards it. The image is dark and has a blue tint. The text is overlaid on the image.

Many companies and other institutions are incorporating the UN's Sustainable Development Goals into their own targets

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*This is not only a way to communicate sustainability concerns with relevant stakeholders, but also a way to ensure the corporation's endurance in the medium-long term*



# Why is it working towards Sustainable Development Goals a way to ensure a corporation's continuity?

## Climate change is a threat to the continuity of businesses

Climate change threatens the **availability of essential raw materials and inputs**, while creating instability on important pillars such as **food production, workers' safety** and **clean air**, which may **cause diseases**, economic crises and even wars



## Firms should incorporate sustainability into their practices

It is not only intelligent from a marketing and stakeholders relation perspective to make sustainability a priority – it is **essential for firms to survive**, and their **responsibility** towards the broader **society**

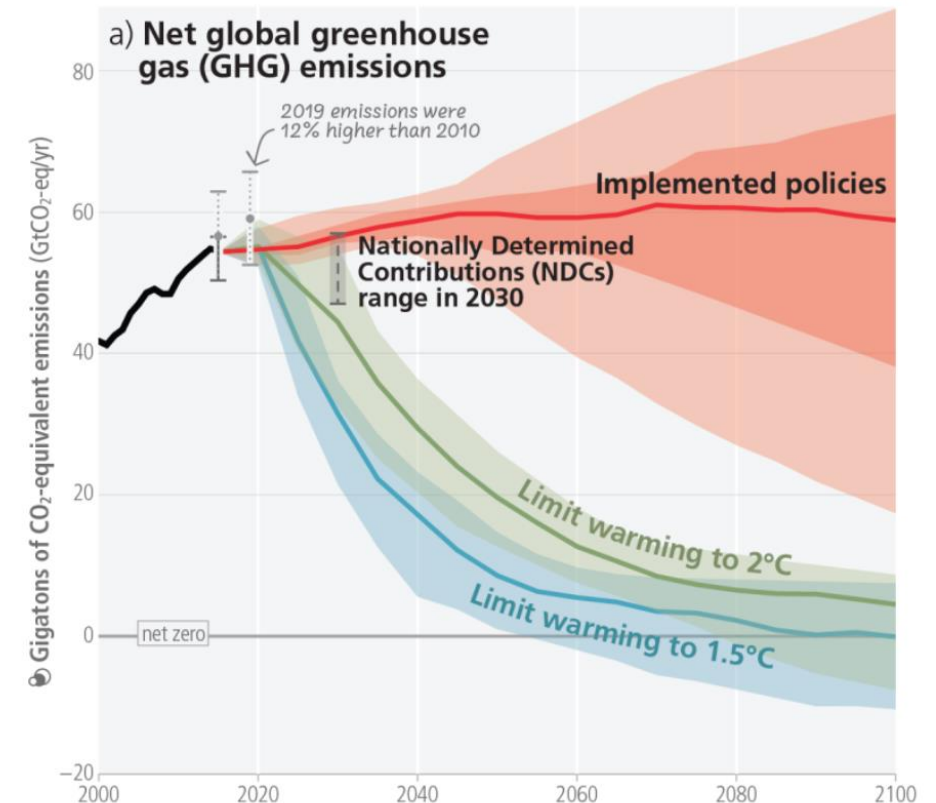


# “Net Zero” is a common buzz word and it is, in fact, a crucial objective for humanity to tackle climate change

In order for the global temperature increase to stay within the Paris Agreement target (below 2°C, ideally 1,5°C), **anthropogenic carbon emissions will need to reach net zero** at least by mid-century (IPCC 2018).

Companies, governments and individuals have a role in contributing to this.

However, **implemented policies result in projected emissions that may lead to 3,2°C warming** (IPCC 2023).



# There are two approaches towards net-zero emissions

## Phasing out emissions at the source

This means reducing emissions to get to as close to zero as possible, for example by reducing high-emissions activities and replacing fossil fuels with renewable sources of energy



## Removing carbon from the atmosphere

This means deploying technologies or natural tools to eliminate the remaining carbon after implementing the first approach. Trees planting or direct air capture are examples of this

**It is generally considered that both approaches have to be applied for net-zero to be reached**

Besides this, there are other pressing issues that humanity (and companies) must target



Water scarcity



Water pollution



Air pollution



Nature pollution



Waste generation



Biodiversity loss



Ecosystem's degradation



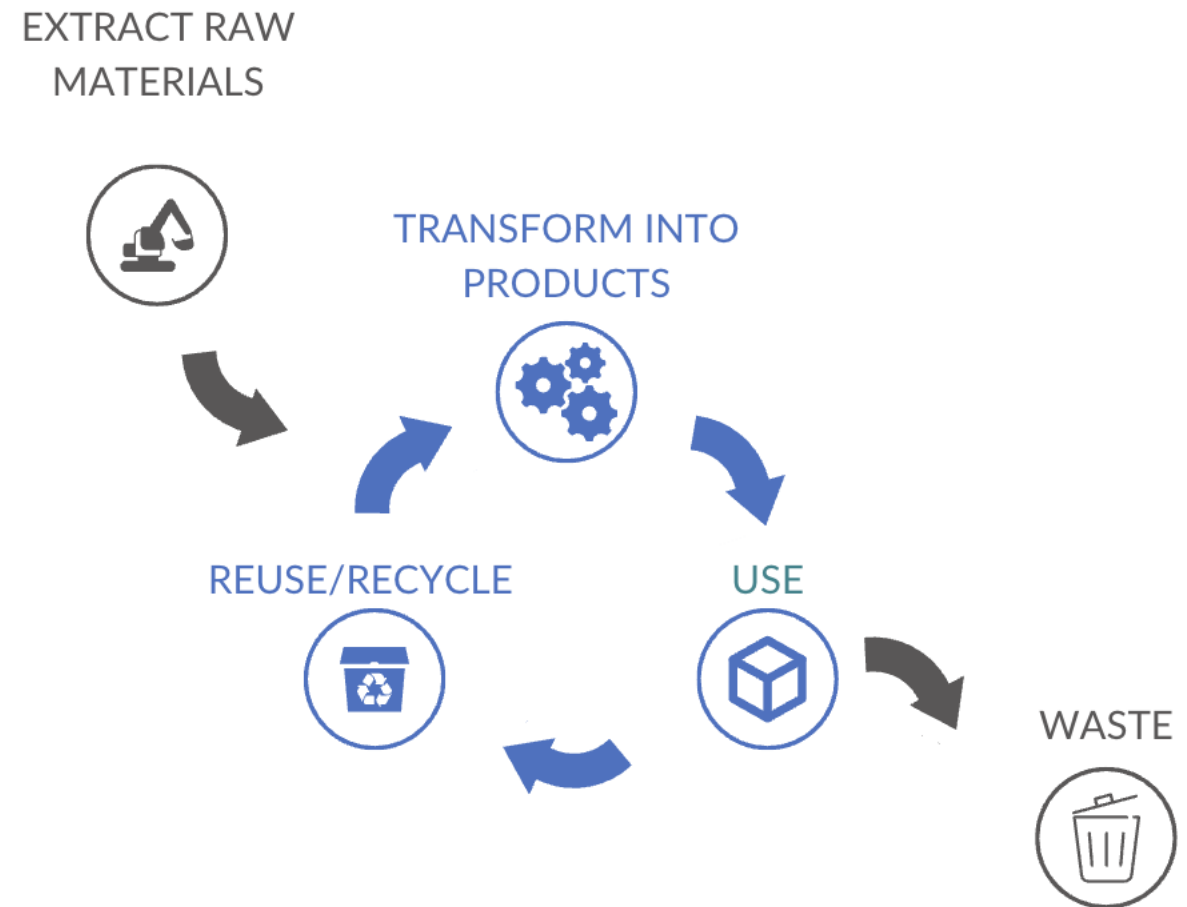
Resource depletion



Another common buzz word is “circularity”, which refers to a system whose goal is for materials to never become waste

In a circular economy, rather than becoming waste, **materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting.**

This generates **less pressure on raw materials extraction, industrial processes and waste management**, contributing to **tackle climate change, biodiversity loss and pollution**, for example.



Source: Ellen MacArthur Foundation

# Circularity is a path to be made, and there are many companies already applying some circular principles to their businesses



Too Good to Go connects restaurants and other businesses with consumers to help them sell products which would turn into waste



Vintage For a Cause produces clothing and accessories made with deadstock fabric from other businesses

**FAIRPHONE**

Fairphone produces smartphones made with recycled materials and with easily replaceable and repairable parts

THE  
**GREATEST  
CANDLE**  
IN THE WORLD

The Greatest Candle In The World produces candles made with used cooking oil, which can be highly pollutant in contact with bodies of water

# In a finite planet, circularity is essential to preserve its resources

The concept of Earth Overshoot Day describes **the day when humanity's consumption of ecological resources and services has surpassed Earth's biocapacity, i.e. what the planet can generate per year.** This means that, after that, **humanity is depleting stocks of resources that do not have time to renew.**

In 2024, the Earth Overshoot Day was on the 1<sup>st</sup> of August.

## Country Overshoot Days 2024

When would Earth Overshoot Day land if the world's population lived like...



Source: National Footprint and Biocapacity Accounts, 2023 Edition  
data.footprintnetwork.org



A circular economy is pointed out as an essential part of the path to achieve Paris Agreement's goal for global warming



The ultimate goal is to move from a linear economy, to a circular one

LINEAR  
ECONOMY



RECYCLING  
ECONOMY



CIRCULAR  
ECONOMY



# Companies can have different starting points in pursuing sustainability



Source: McKinsey

# For each sustainability aspect, companies should consider several factors

## Social

A sustainable corporation should **consider the well-being of its employees, customers, and all stakeholders** who are involved with, or may be affected by, the firm. Several factors should be taken into account, such as the **guarantee of fair living wages** and other benefits across the value chain, **workplace safety, refusal of child labor** and **support of external social causes**

## Environmental

Corporations should be focused on **reducing emissions, pollution, and the pressure on natural resources and biodiversity**. Several KPIs may be used, such as the evolution of a company's or product's **ecological footprint, carbon footprint, water usage and pollution, or waste reduction** (through less packaging, take-back programs or integration of circularity principles, for example)

## Economic

Corporations should be **economically sound**, while respecting the other two pillars. This will include **compliance** with laws and regulations, **adequate governance** (ensuring that managers', shareholders' and society's values are aligned) and **risk management** (guaranteeing that practices are applied with potential risks into account)

# Corporate sustainability practices can be considered within the ESG criteria

ESG criteria is used by investors pursuing conscious investments

**E**nvironmental: considers the company's environmental practices

**S**ocial: considers how the company treats its employees and how it addresses its suppliers, customers, and the broader society with which it interacts

**G**overnance: considers the internal practices the company puts in place in order to govern itself, complying with the law and making effective decisions



# Sustainability opens up 3 large sources of value – industry characteristic define whether it poses a risk or opportunity



## **Sustainable Reputation**

- Regulatory & Compliance Management
- Internal Stakeholder Management
- External Stakeholder Management
- Operational Risk Management



## **Sustainable Operations & Financing**

- Sustainable Marketing
- Sustainable Value Chains
- Sustainable Operations
- Sustainable Financing



## **Sustainable Portfolio**

- Differentiated Brand
- New Markets
- New Products & Innovation
- Business Portfolio





It is, though, important to distinguish real environmental concerns from greenwashing

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....disinformation disseminated by an organization so as to present an environmentally responsible public image.

*Greenwashing happens when **companies** purportedly convey an impression that their **products or their practices** are more environmentally safe than the reality*



# The 13 sins of greenwashing

1. The sin of the hidden trade-off

8. The sin of false hopes

2. The sin of no proof

9. The sin of fearmongering

3. The sin of vagueness

10. The sin of broken promises

4. The sin of worshipping false labels

11. The sin of injustice

5. The sin of irrelevance

12. The sin of hazardous consequences

6. The sin of lesser of two evils

13. The sin of profits over people and the environment

7. The sin of fibbing

Source: Netto; S. V. F., Sobral, M. F. F., Ribeiro, A. R. B. & Soares, G. R. L. (2020). Concepts and forms of greenwashing: a systematic review. Environmental Sciences Europe

# The 13 sins of greenwashing explained (I/III)

1. **The sin of the hidden trade-off:** stating that a product is sustainable, based on a **small group of characteristics**, foregoing other environmental aspects

2. **The sin of no proof:** claiming something that cannot be backed up by available supporting information or by a **reliable third-party certification**

3. **The sin of vagueness:** making a claim that is not substantiated or too broad, and which may be misunderstood by the consumer

Source: Netto; S. V. F., Sobral, M. F. F., Ribeiro, A. R. B. & Soares, G. R. L. (2020). Concepts and forms of greenwashing: a systematic review. Environmental Sciences Europe



# The 13 sins of greenwashing explained (I/III)

**4. The sin of worshipping false labels:** including a certification-like image in the product, misleading consumers into thinking that it has a legitimate green certification process

**5. The sin of irrelevance:** claiming something that may be true, but not relevant for those seeking environmentally sound products

**6. The sin of lesser of two evils:** claiming something that may be true, but that may distract the consumer from the greater environmental impacts of the product category as a whole

Source: Netto; S. V. F., Sobral, M. F. F., Ribeiro, A. R. B. & Soares, G. R. L. (2020). Concepts and forms of greenwashing: a systematic review. Environmental Sciences Europe

# The 13 sins of greenwashing explained (II/III)

**7. The sin of fibbing:** making false environmental claims

**8. The sin of false hopes:** making a claim that stands for a false hope, for example an innovation which is not feasible

**9. The sin of fearmongering:** claiming that not “buying in” on an organization’s practice may have bad consequences

**10. The sin of broken promises:** claiming that a certain system or product will generate positive consequences, when such is not likely

Source: Netto; S. V. F., Sobral, M. F. F., Ribeiro, A. R. B. & Soares, G. R. L. (2020). Concepts and forms of greenwashing: a systematic review. Environmental Sciences Europe

# The 13 sins of greenwashing explained (III/III)

11. **The sin of injustice:** communicating exclusively to those least affected by the damaging environmental consequences of the business

12. **The sin of hazardous consequences:** hiding the negative consequences that may arise from the corporation's practices

13. **The sin of profits over people and the environment:** putting the pursuit of profits above social and environmental interests and safety

Source: Netto; S. V. F., Sobral, M. F. F., Ribeiro, A. R. B. & Soares, G. R. L. (2020). Concepts and forms of greenwashing: a systematic review. Environmental Sciences Europe



# Final Question:

Do you think  
sustainability is a trend?