

SUSTAINABILITY JOURNEY FOR CORPORATIONS - CHALLENGES AND OPPORTUNITIES

2023, BIZNESA AUGSTSKOLA "TURĪBA"

Sustainability
Partners.

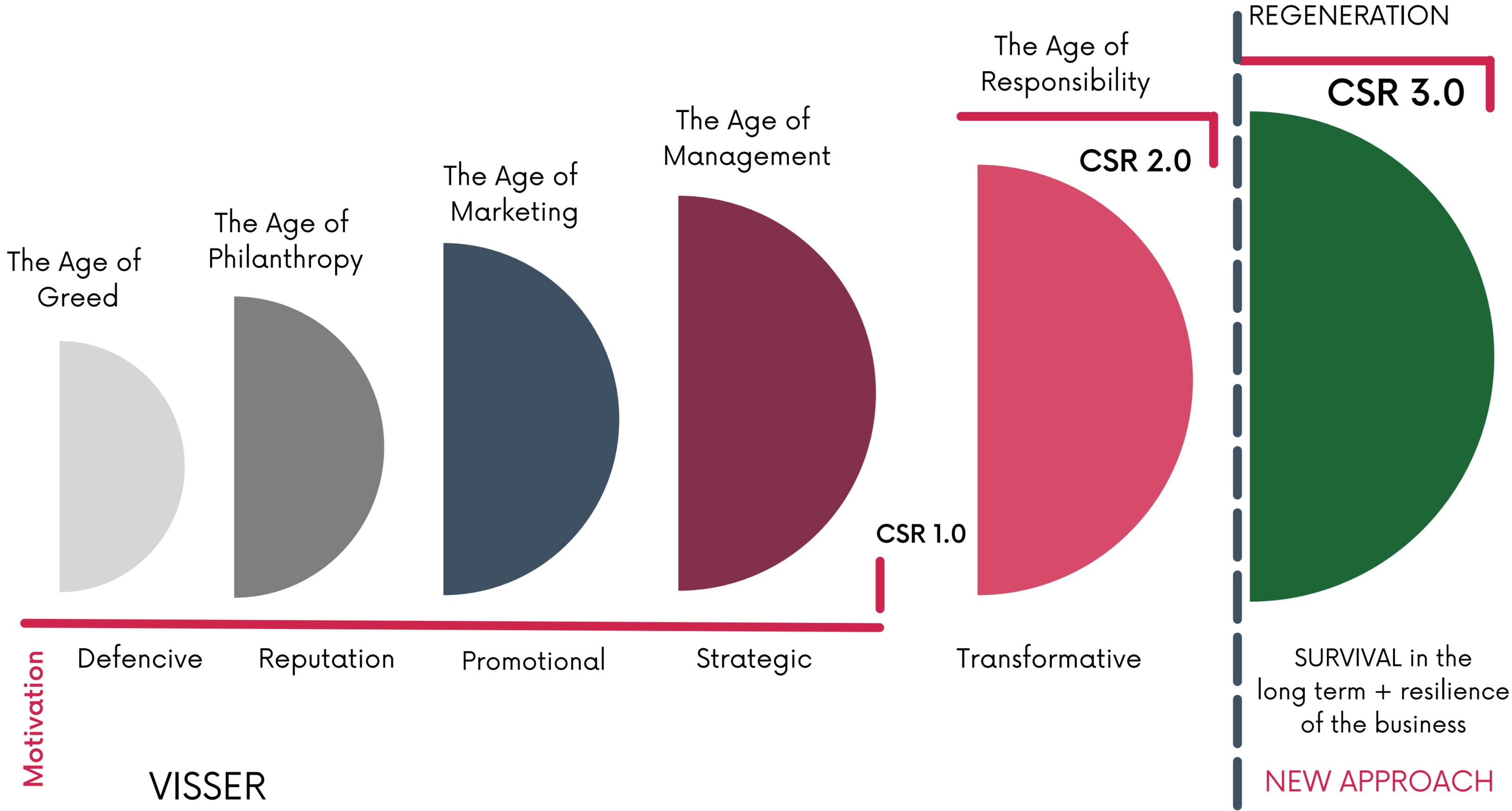


Agnese Alksne - Bensone

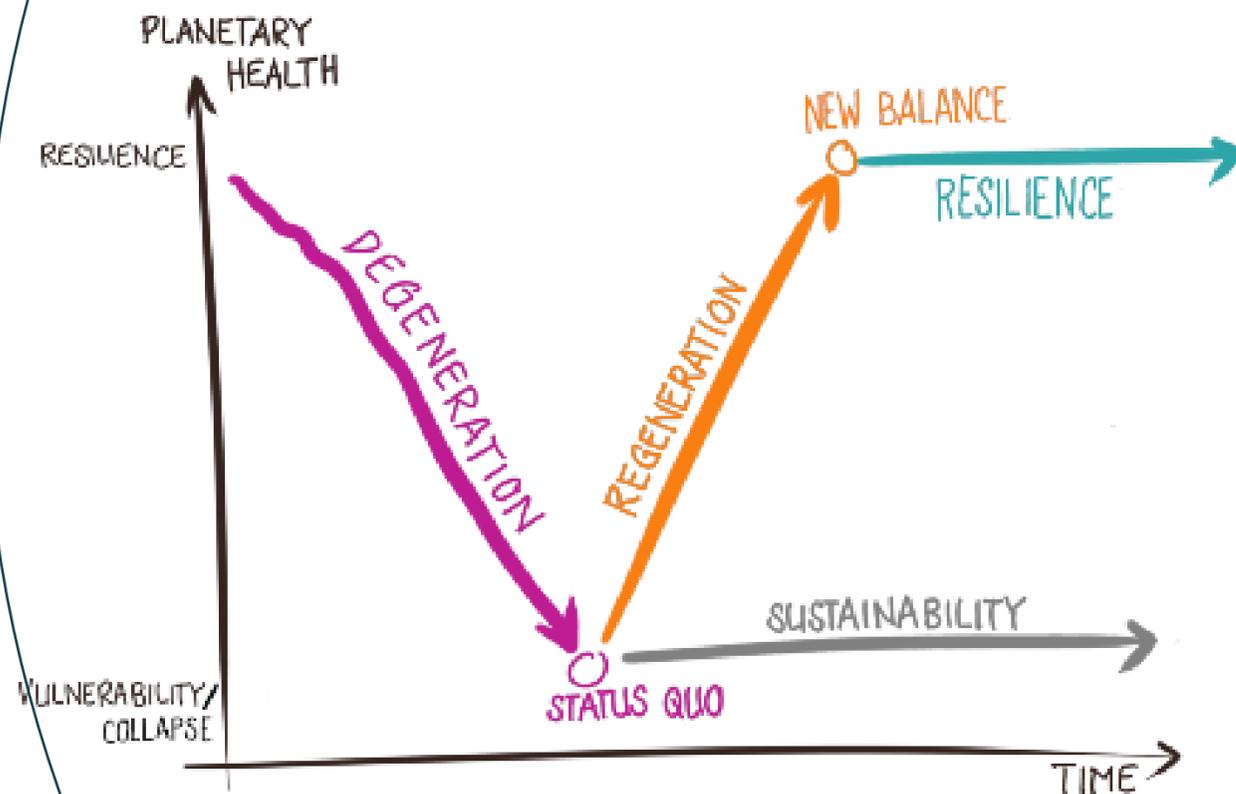
Co-founder of the NGO "Corporate Social Responsibility Platform of Latvia" (CSRLatvia), founder of "Sustainability Partners", Ltd., and author of the "Responsible Business Ambassadors" program. She gained international experience by working at the New Orleans Business Alliance in the USA, in the international team of Transparency International Latvia, as well as at BM Certification, Ltd.

Topics

- Sustainability journey for corporations – motivation
 - Challenges and opportunities:
 - Environmental impact
 - Social impact
 - Governance impact
- 



Regeneration vs Sustainability



The current pandemic situation has shown the vulnerability of our status quo and the degenerative past. Now we have two ways to move forward. By sustaining the status quo (classical sustainability) we put emphasis on reducing negative impacts and keep it that way. Choosing the regenerative path, we focus on how we can have a positive impact, become a regenerative force and therefore move towards a new balance with high resilience.

The shift from extracting, degrading and mindless using of natural resources towards conserving, restoring and regenerating needs powerful leadership globally.

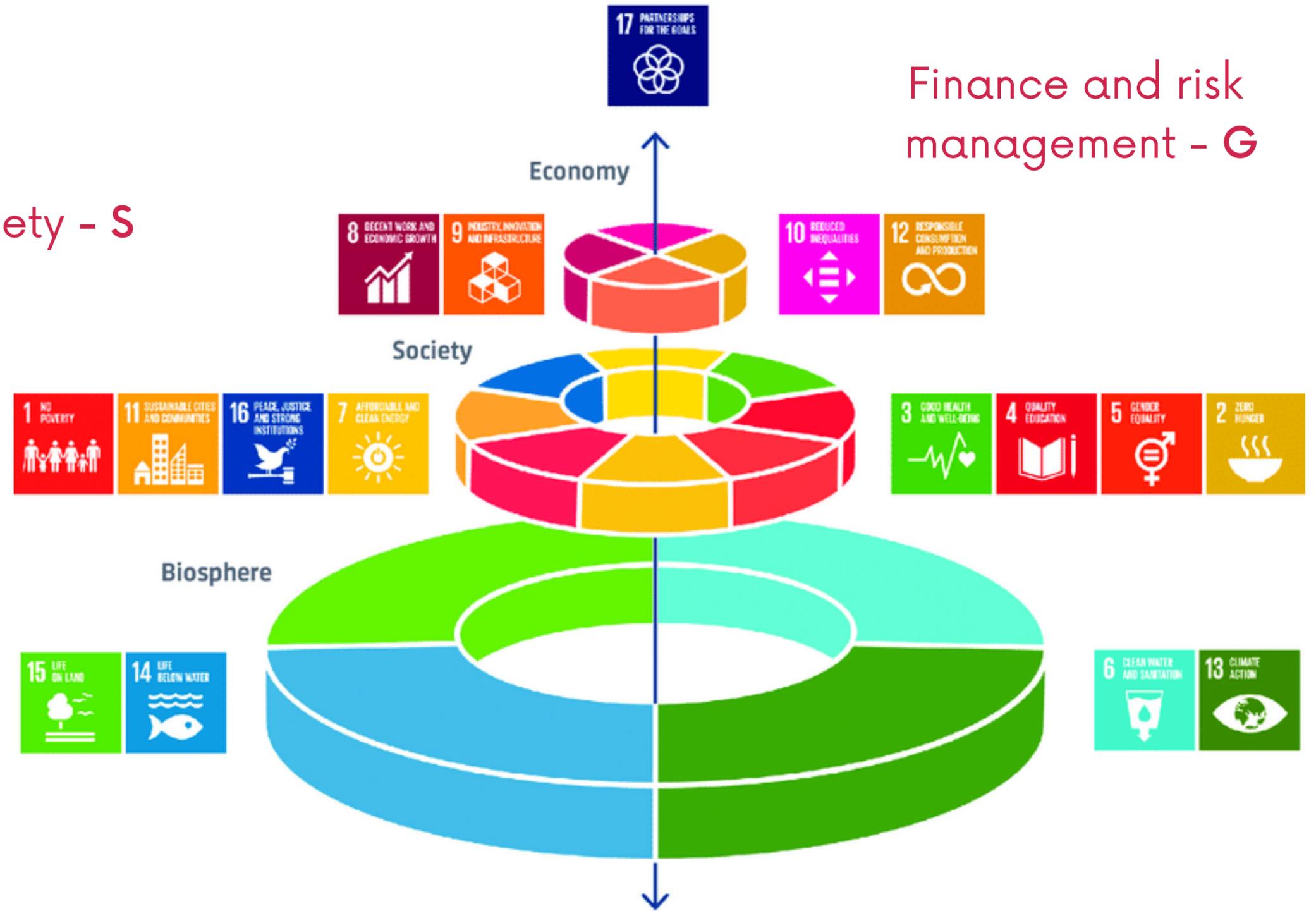
Sustainable development

is a masterful **BALANCE** in meeting our needs, without compromising the ability of future generations to do the same.

Where is the balance?

Impact on society - S

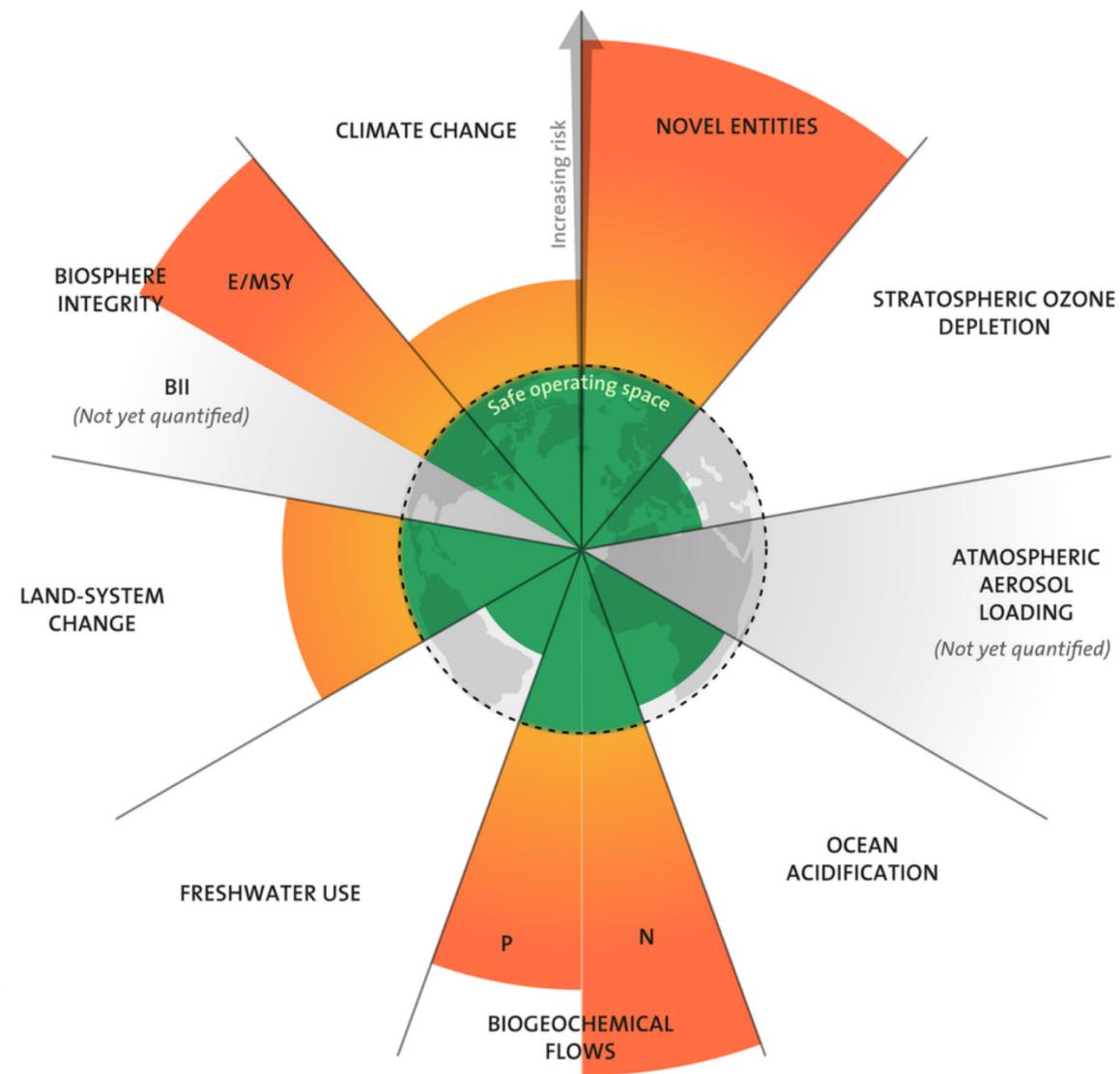
Sustainability "wedding cake", where the biosphere and the environment are at the heart of everything.



Finance and risk management - G

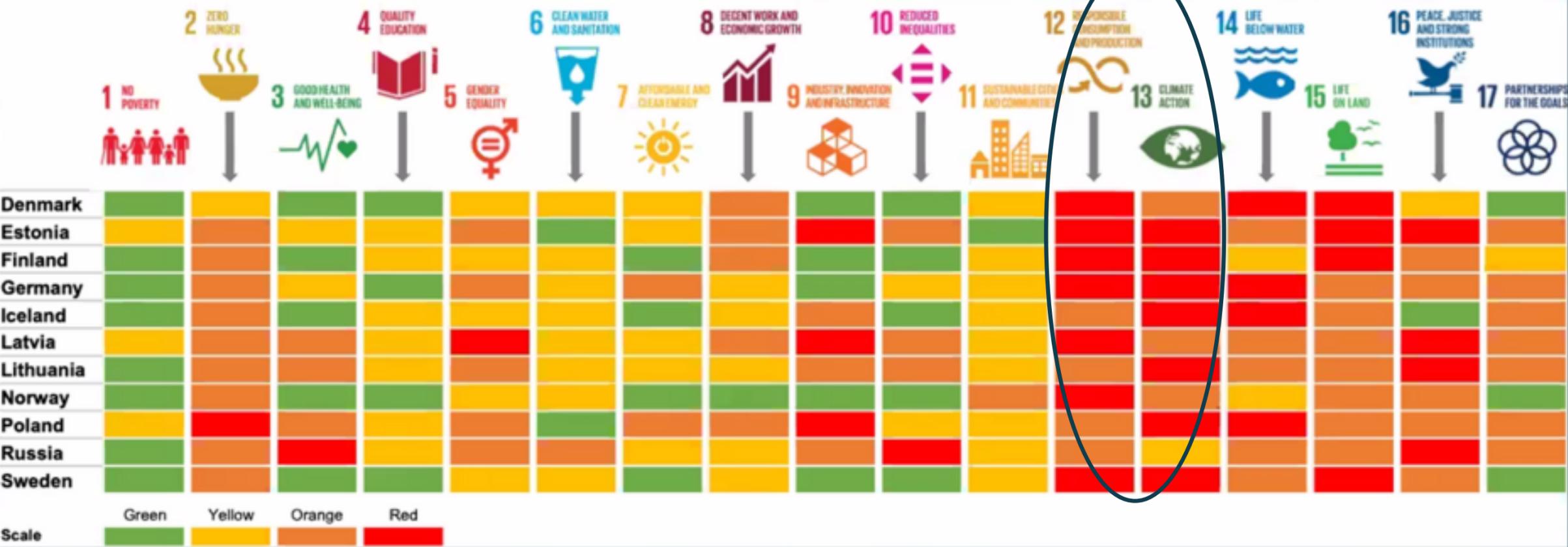
Impact on environment - E

The concept of planetary boundaries



- Green sectors describe areas of human activity in which human impacts are minimal.
- Yellow/red sectors - areas in which human impact is comparable to the intensity of natural processes or exceeds the intensity and volume of naturally occurring processes.

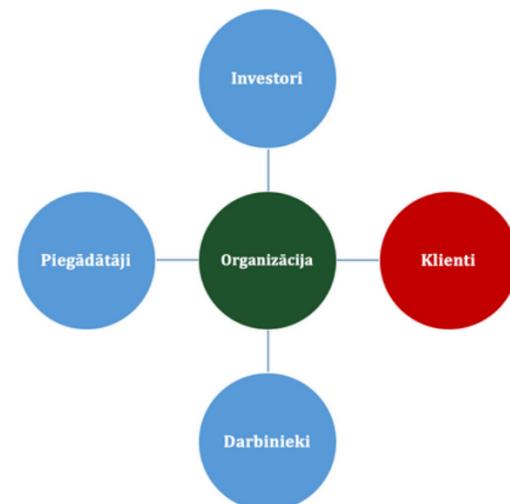
Where the business stands?



Change of business concept

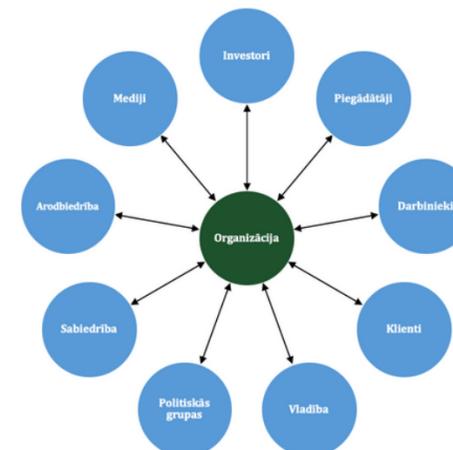
Shareholder value perspective (neoclassical economic theory)

- The main goal of companies is to increase profits
- Companies are not equipped for social activities
- Involvement in social responsibility undermines the main purpose of companies
- Achieving economic efficiency will increase societal welfare



Impact / Stakeholders value perspective (socio-economic theory)

- Companies' purpose should include corporate social responsibility
- Companies represent several interdependent parties with common interests
- Involvement in the field of social responsibility serves the long-term interests of companies, achieving mutual benefits will maximize public health/well-being



New regulation



- **"Taxonomy" localization** - large business organizations are resistant to green deal, so banks become the catalysts of the change.
- **Corporate Sustainability Reporting Directive**
- **Due diligence directive for human rights and environment**
- **Locally - Large state-owned companies report** on non-financial issues and sustainability for the first time mandatory.

Divers for sustainable business practice

CLIENTS
(B2B)

REGULATION
(LEGAL ACTS)

AVAILABILITY OF
FINANCE

EMPLOYEES

CSRLatvia sustainability perception survey 2019:
<https://www.youtube.com/watch?v=PdAmCdVWRtI>

CHALLENGES & OPPORTUNITIES



Business and environment

Opportunities

CO2 accumulation
innovations
Funding
SDG12 – responsible
consumption
Circular economy – industry
symbiosis
Communication

Challenges

Greenwashing ways:
Greencrowding
Greenlighting
Greenshifting
Greenlabelling
Greenrinsing
Greenhushing

#Planet Tracker

Scientific data & evidence
Customers

Business and social impact

Opportunities

Just transition - design workforce for every one
Engagement - outside the usual workforce and gaming methods
A safe place to work
Workforce flexibility
Holistic wellbeing strategy
Human rights in supply chain
Employer branding

Challenges

Diversity
External/ internal migration due to war/ conflicts/ climate
Work safety
Health of workforce
Demography
Supply chain
Diversity quota

Scientific data & evidence/ inclusion

Business and governance

Opportunities

Financial sector requirements and new investments (ESG, green, etc.)
Ecosystem ownership and control - new business opportunities
CO2 -new currency

Challenges

New regulation - data, goals, processes - pushes need to change
"Zero tolerance" for corruption
"Reasonable" profit

Business model transformation
Transparency

OTHER TRENDS



Other challenges

Double materiality

Suppliers due diligence

Impact boundaries

Customers

Big data for sustainability

New business

Setting science based targets

War - the game changer

I am convinced that maintaining a balance between profit ambitions, and environmental and social impacts in the business model is a challenge that everyone can handle.

AGNESE ALKSNE- BENSONE

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