Università degli Studi di Padova

Department of Economics and Management

Master Program in Entrepreneurship and Innovation

FROM TALKING TO TAKING ACTION
A STUDY ON GREENING ORGANIZATION

Supervisor prof. Paolo Gubitta

Candidate Jessica Alphonse
ID Number 2046843

Academic Year 2022/2023

Dedication

To my reliable thesis supervisor, Professor Paolo Gubitta, your guidance, expertise, and insightful feedback have been fundamental in shaping this work. I am incredibly grateful for your patience and support.

To my parents, Maro and Habib, your persistent love, encouragement, and belief in me have been the foundation upon which I've built this achievement. Thank you for always being my biggest cheerleader.

To Ali, your patience, understanding, and support throughout this challenging process are deeply appreciated. Thank you for always keeping me motivated and reminding me of the greater purpose.

To my amazing sister, Rayan, you have been a source of comfort and encouragement throughout this endeavor. Thank you for the countless moments of laughter, and for always believing in me. This journey wouldn't have been the same without your support and motivation. Thank you for always being there to celebrate my wins.

To my amazing friends, Hassan, Adham, and Dana, this journey wouldn't have been the same without the unique way each of you supported me, your humor and optimism kept me motivated even during the toughest moments. Together, you've been my cheer squad, and I am immensely grateful for your support and friendship.

To my dearest classmates, Jalal and Tracy, your friendship has been a source of comfort and encouragement throughout this endeavor. Thank you for the countless moments of laughter, the late-night study sessions, and for always believing in me.

Jessica

Declaration

Dichiaro di aver preso visione del “Regolamento antiplagio” approvato dal Consiglio del Dipartimento di Scienze Economiche e Aziendali e, consapevole delle conseguenze derivanti da dichiarazioni mendaci, dichiaro che il presente lavoro non è già stato sottoposto, in tutto o in parte, per il conseguimento di un titolo accademico in altre Università italiane o straniere. Dichiaro inoltre che tutte le fonti utilizzate per la realizzazione del presente lavoro, inclusi i materiali digitali, sono state correttamente citate nel corpo del testo e nella sezione ‘Riferimenti bibliografici’.

I hereby declare that I have read and understood the “Anti-plagiarism rules and regulations” approved by the Council of the Department of Economics and Management and I am aware of the consequences of making false statements. I declare that this piece of work has not been previously submitted – either fully or partially – for fulfilling the requirements of an academic degree, whether in Italy or abroad. Furthermore, I declare that the references used for this work – including the digital materials – have been appropriately cited and acknowledged in the text and in the section ‘References’.

INDEX

FIGURES

INTRODUCTION AND SUMMARY

THE REASON FOR THIS DISSERTATION – The demand for sustainable solutions and practices is becoming increasingly necessary to face the challenges caused by social inequalities, environmental performance, and economic credibility. Nowadays, it is a crucial step for organisations to embed sustainable practices and strategies into their daily activities. The purpose of this research is to contribute to the broader knowledge of sustainability by investigating the challenges, stages, and strategies for promoting sustainable practices within organisations. By tackling the limitations, filling the knowledge gap, creating a framework for future research, and promoting sustainable development and practices, this study aims to make a significant contribution to the field of sustainability and the application of sustainable practices in organisational contexts.

The objective of this dissertation is to investigate, analyse and contribute to the knowledge in the field of sustainability. It involves examining the sustainable practices adopted within organisations and identifying the initiatives and principles applied in the phase of integration. Theoretically, this research aims to explore the most innovative and best practices for promoting sustainability and implementing sustainable practices within organisations and to create a model that serves as a reference for future research and practices in the field of sustainability.

The first chapter provides a comprehensive overview of sustainability, corporate sustainability strategies, and the journey toward becoming a sustainable organization. It covers the definition of sustainability, the triple bottom line concept, the environmental, social, and economic dimensions of sustainability, and the role of stakeholders. Further, it outlines the stages involved in transitioning to a sustainable business model, including incorporating sustainable strategies, monitoring progress, and continuous improvement. Overall, it emphasizes the importance of integrating sustainability into business practices and highlights the benefits of sustainability for organizations and society.

The second chapter debates the importance and process of sustainability conversion within organizations. It abstracts various steps and considerations involved in developing a sustainability strategy, including assessing opportunities or problems, creating a guiding change coalition, formulating a clear vision for sustainability, communicating the vision effectively, mobilizing energy for change, empowering others to act, developing change-related knowledge and ability, identifying short-term wins, monitoring and strengthening the change process, and institutionalizing change in company culture, practices, and management succession. Also, the chapter emphasizes the need for alignment with global, national, and sector-specific sustainability guidelines, as well as the integration of environmental, social, and governance (ESG) factors into organizational operations. Furthermore, it discusses the reasons why organizations should prioritize sustainability, including environmental impact reduction, long-term viability, reputation and branding, compliance with regulations, employee motivation, resilience to disturbances, and driving innovation. Overall, the chapter highlights sustainability as a necessary factor for organizational success in a changing world.

The third chapter analyzes the difference between traditional organizations and sustainable companies in contemporary business practices, highlighting their different approaches to environmental governance and social responsibility. It discusses the values and priorities of sustainable companies versus traditional organizations, the challenges and barriers faced in transitioning to sustainability, resistance to change, lack of awareness, and sustainability initiatives among Italian companies, particularly focusing on manufacturing firms. Furthermore, the chapter includes survey data on sustainability practices among Italian companies, emphasizing the increasing recognition of sustainability's importance in driving long-term business success.

The fourth chapter provides a comprehensive overview of organizing for sustainability within businesses, focusing on two primary aspects: standards/frameworks for sustainability reporting and training for sustainability.

Standards/Frameworks for Sustainability Reporting. It discusses the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards, highlighting their importance in promoting transparency and accountability. The GRI Standards focus on environmental, social, and economic impacts, while the SASB Standards provide industry-specific sustainability metrics for investors. It emphasizes the integration of GRI and SASB Standards for comprehensive sustainability reporting.

Training for Sustainability. The chapter identifies critical skills necessary for implementing sustainable business practices, including strategic planning, stakeholder engagement, and innovation. It emphasizes the importance of collaboration, creativity, and effective communication in achieving sustainability goals. Continuous learning and adaptation to evolving sustainability trends are highlighted as essential components of sustainable business practices. Additionally, the chapter includes insights from research on corporate sustainability roles and responsibilities, as well as case studies of companies like Enel and Enerblue, illustrating real-world examples of sustainability initiatives and challenges.

1. CHAPTER

EMBRACING SUSTAINABILITY: MOTIVATIONS AND IMPLEMENTATION APPROACHES IN ORGANIZATIONS

1.1. Introduction

> "Sustainable development can be associated with the search for present development of which consequences do not compromise the future generation" (WCED, 1987).

While it is important to note that sustainability is a complicated concept, what matters is the dedication and commitment to continuously improve and stay updated on the latest matters and studies to keep learning and adapting to sustainable practices. A recent Deloitte report stated that "67% of participants were willing to pay up to 41% more for products if they were sustainable, and that inclination was higher among young age groups" (Gordon Grundmann, Klein, & Josten, 2022).

Business leaders should improve their ability to foresee emerging trends and uncertainties in social, environmental and business dimensions. It's crucial to recognize that the future is fundamentally shaped by sustainability.

This chapter discusses in the first paragraph, the matters of sustainability and its general concept while highlighting the "triple bottom line" or the "three pillars", which highlights three main points consisting of environmental, social, and economic sustainability and play a significant role in promoting health and safety.

The second paragraph consists of the reasons why time matters in the context of becoming a sustainable firm and how it is a fundamental factor and a continuous journey of learning and adaptation and it also identifies the stages that an organisation should follow to integrate into their daily practices aiming to become sustainable and serve as a model for other organisations to follow. The fourth paragraph is a summary of this chapter.

1.2. Why does sustainability matter?

> "In 1998 John Elkington, chairman of Sustainability, institutionalised the concept of the triple bottom line. He argued that business in the twenty-first century needs to focus on enhancing environmental quality and social equity just as it strives for profits. It must also put the same effort into this cause. Thus it must weigh the three sustainability spheres equally (Székely et al., 2005)".

Therefore, the concept of the 'triple bottom line' was introduced by John Elkington, which consists of a framework used to assess the overall performance of an organisation using three dimensions: economic, social, and environmental.

In addition, sustainability is a concept that appeared in response to the growing environmental downfall, social inequality, and economic fluctuation caused by unsustainable practices. It contains an approach that addresses the challenges facing our planet and society, intending to meet the needs of the present without taking away the ability of future generations to meet their needs.

However, achieving sustainability is an ongoing process that involves continuous efforts to improve environmental and social performance while maintaining economic credibility.

Mainly, sustainability consists of 'three pillars', also known as the 'triple bottom line', which promote health and safety in the long-term for both humans and organisations. These three pillars consist of environmental, social, and economic sustainability.

Figure 1 Report on US Sustainable Investing Trends

Source: US SIF Foundation (2022)

It is interesting to stay updates on the latest ESG trends. ESG is more considered an umbrella term encompassing various issues related to a corporate entity's behavior and impact.

1.2.1 The environmental dimension

The environmental dimension emphasises the protection and responsible usage of natural resources, the reduction of pollution and waste, and the protection of ecosystems and biodiversity. It recognizes the limited nature of Earth's resources and practices that minimise the harmful effects on the environment. Thus making a positive impact on the planet. As an example, DHL is a leading logistics company that has developed its GoGreen solution to create an eco-friendly supply chain. DHL claims that it uses sustainable logistic options for its clients. Thus, the company reduces transport-related waste, emissions, and other environmental threats.

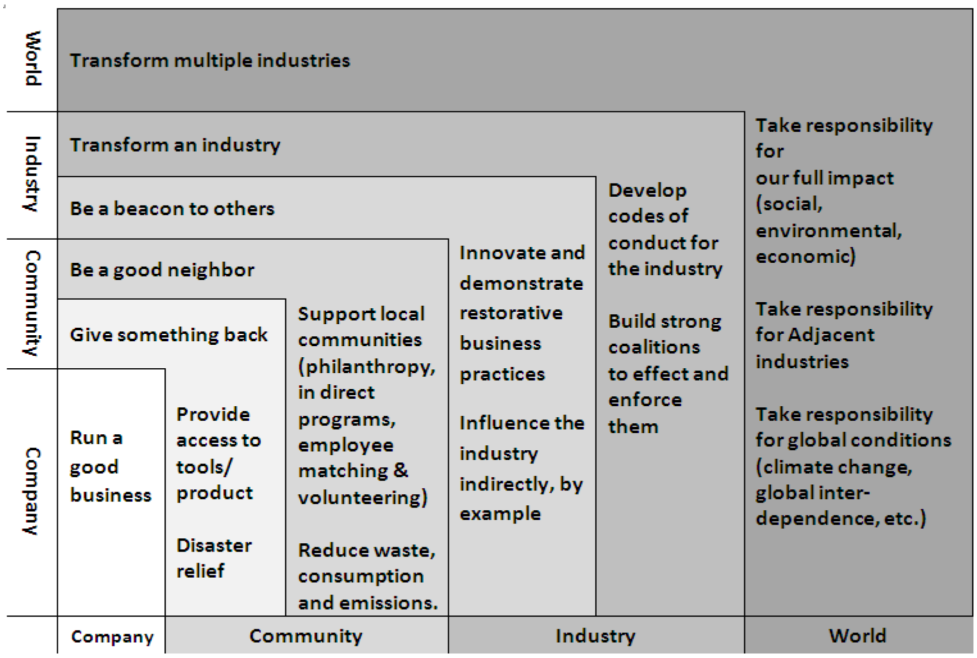
The human's wellbeing is closely associated with the health of the environment. According to the World Health Organization, 24% of deaths worldwide are linked to avoidable environmental factors. Humans need clean air to breathe, clean water to drink, and toxin-free areas to live.

1.2.2 The social dimension and the role of stakeholders

The social dimension of sustainability focuses on positively impacting society. It encourages equity, justice, and social well-being. It identifies the importance of satisfying basic human needs and promoting strong communities. It includes considerations of human rights, labour requirements, access to education and healthcare, and encouraging diversity and equality.

For instance, Unilever is a British multinational consumer packaged goods company that has brought new laws and programs to positively impact people and society. The new program entitled ‘Unilever’s People Positive’ aims to eliminate discrimination based on people’s colour and physical attributes.

Figure 2 The corporate social responsibility landscape



Source: McElhaney, 2008, p.22

External Stakeholders

In the business sector, society is characterised by the company's stakeholders. External stakeholders are individuals, organisations, and public groups that are not directly part of the company but are interested in the company's outcome and operations. Accordingly, these external stakeholders can have a significant impact on the company's sustainability journey. Below are some of the impacts of external stakeholders on organisations:

- Customers: If an organisation values and invests in sustainability and communicates it effectively, it tends to influence customers' choices and purchases. Therefore, these organisations increase their competitive advantage in the market and are more likely to attract customers who value sustainability.
- Other organisations: organisations that are operating in the same industry tend to influence one another. Therefore, if a company adopts a sustainable strategy, others will feel the pressure to follow the same strategy to attract customers and compete in the market

Consequently, staying connected to external stakeholders while collaborating, maintaining a good relationship, and communicating transparently will increase the company's reputation and promote long-term sustainability.

Employees and customers

Consumers and employees are encouraging businesses to prioritize investments in sustainable enhancements for the environment and society, rather than exclusively focusing on regulatory compliance. They are willing to reward or penalize brands based on their activities. As per a 2021 PwC study, the majority of both consumers and employees indicated a preference for purchasing from or working for companies that align with their values across the different dimensions of environmental, social, and governance (ESG) initiatives.

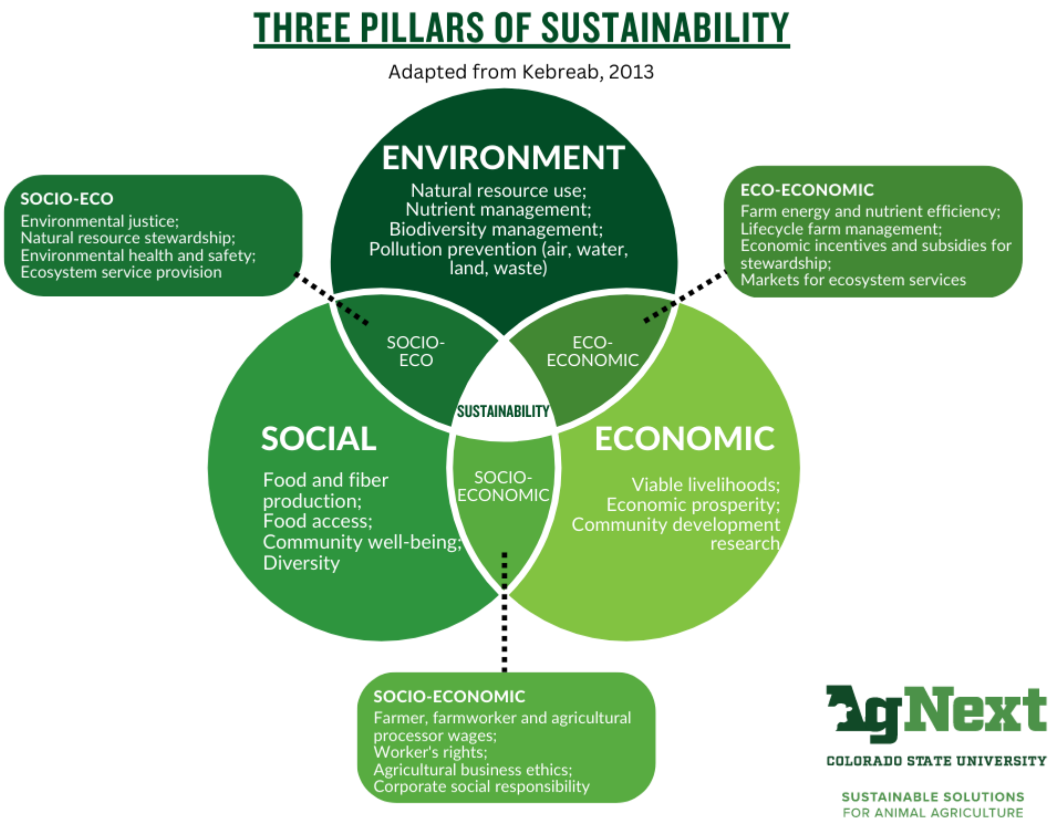
1.2.3 The economic dimension

The economic dimension of sustainability involves developing economic systems that are environmentally useful, socially fit, and economically attainable. It calls for the integration of sustainability regulations into business traditions, such as adopting renewable energy sources, executing sustainable supply chain management, and assessing the lifecycle consequences of products and services. Sustainable economic development aims to design long-term value while minimising unfavourable social and environmental externalities.

Economically sustainable organisations ensure at any time that cash flow is sufficient to guarantee liquidity while producing a constant above-average return to their shareholders. They aim not only to maximise their profits but also to achieve long-term financial sustainability.

By definition "economic sustainability requires firms to manage several types of economic capital: *financial capital* (i.e. equity, debt), *tangible capital* (i.e. machinery, land, stocks), and *intangible capital* (i.e. reputation, inventions, know-how, organisational routines). A company ceases to exist once no economic capital is left, but in reality, a company will become unsustainable long before" (Dillick & Hockerts, 2002).

Figure 3 Three pillars of sustainability



Source: Adapted from Kebreab, 2013

Sustainability is a balance between these three pillars: social, economic and environmental. Each pillar addresses different topics that should be considered in a holistic analysis of sustainability.

1.2.4 In sum

In conclusion, by assessing performance in these three dimensions, the triple bottom line provides a complete framework for organisations to incorporate sustainability techniques into their decision-making processes. This framework inspires organisations to focus on other aspects than increasing profits and acknowledge their responsibilities towards society and the environment. By reaching a balance between economic, social, and environmental goals, organisations can operate toward a more sustainable future path. According to Sustainable Business Strategy, evidence has increasingly shown that firms with promising environmental, social and governance metrics tend to produce superior financial

returns. As a result, more investors have begun focusing on environmental, social and governance metrics when making investment decisions.
Moreover, sustainability identifies the interdependencies and complicated relations between these dimensions (Gao & Bansal, 2013). It recognizes that addressing environmental challenges requires social and economic modifications, and vice versa.

1.3. The role of time when talking about becoming sustainable

> "Sustainability obliges firms to make intertemporal trade-offs to safeguard intergenerational equity. We clarify the meaning of sustainability by showing that the notion of 'time' discriminates sustainability from responsibility and other similar concepts" (Bansal, P., & DesJardine, M. R., 2014).

In this article, the author argues that time is a crucial factor and is differentiated from other concepts such as corporate social responsibility (CSR) and the triple bottom line. Therefore, sustainable businesses should consider time as a central factor in their decision-making process, hence increasing effectiveness and ensuring the well-being of society, the environment, and the economy over the long term. However, transitioning from a traditional organisation to a more sustainable one requires adaptation to new technologies and business practices, which takes time.
In conclusion, time is a fundamental factor in the process of becoming sustainable and requires a continuous journey of learning, adaptation, and transformation.
Corporate sustainability acquired the attention of many communities worldwide during the past years. Therefore, many corporations are not only interested in the maximisation of their short-term profit but in acquiring sustainable practices for the management of their organisations. In addition, an analysis conducted by Harvard Business School of over 1,800 companies states that organisations with strong environmental, social, and governance (ESG) performance have better financial performance, higher profitability, and lower risk compared to companies without strong environmental, social, and governance performance (Eccles, & Serafeim, 2013).
Achieving sustainability and incorporating sustainable strategies into a company's operations might be a turning point in the lifecycle of the company. It increases efficiency and

cost savings, which in return will reduce waste and preserve resources. In addition, adopting sustainable strategies will increase the company's reputation and guarantee a better positioning in the market with an increased customer satisfaction and brand loyalty.
The roadmap toward becoming a sustainable organisation requires several steps, stages, efforts, commitment, and strategies. However, integrating social, environmental and economical strategies in an organisation's strategy is a crucial step in this long-term process. Below are 4 main stages for becoming a sustainable firm.

Stage 1: Incorporating sustainable business strategies

Stage 1 consists of incorporating sustainable business strategies into the organisation's daily operations and integrating a sustainable culture in the organisation. This step can be achieved by:

- To design and set a sustainable goal that aligns with the organisation's values and visions in the long -term.
- To conduct a sustainability assessment using all the necessary metrics, collecting data, analysing data, sharing the data, and involving all the stakeholders (employees, suppliers, and customers) in the process of the assessment to ensure that all the stakeholders' goals are satisfied and then identifying all the areas that might be improved.
- To set sustainable goals: organisations should set goals that line up with their sustainability objectives and values, which enable them to have access to new markets.
- Engaging and training employees in this process is necessary as they reflect the culture of the organisation. By creating a safe space for them, they can come up with new ideas that align with the sustainability goal of the company.
- Allocating a budget for all the necessary sustainable investments or initiatives will be a significant and effective way to communicate sustainability with stakeholders.

Stage 2: Transitioning from a traditional to a sustainable business model

Stage 2 consists of transitioning from a traditional business model to a sustainable one, which is an ongoing process to improve the company's sustainability performance. It requires careful planning and engagement from all the stakeholders. As an example, Enerblue has successfully integrated sustainability into its business model, which in return is

considered a competitive advantage and attracted more customers who value sustainability.
Engaging leaders, employees, customers, and all stakeholders in this transitioning process is a time-saving process and allows the organisation to get instant feedback which is an effective step to reaching a more efficient and sustainable business model.
Overall, organisations that implement sustainable strategies gain a lot of benefits, whether economically, socially, or environmentally. These benefits will help companies in building better and stronger relationships with stakeholders while contributing to a more sustainable future.

Stage 3: Monitoring and reporting progress

Stage 3 consists of monitoring and reporting the progress, which is a crucial step for organisations that are looking forward to tracking and communicating their progress toward achieving sustainability goals. It is considered a continuous process that involves collecting and analysing the necessary data and reporting the results to the upper management and stakeholders. This process requires the identification of the key performance indicators (KPIs), which are effective metrics that measure the performance of the organisation to make sure that it aligns with the sustainability goals of the organisation.
After collecting the data and conducting analysis, a sustainability report should be prepared annually and discussed with all the stakeholders to ensure that the organisation is moving toward its goals. This report should include a clear outline of the organisation's commitments, challenges, and accomplishments while referring to the present plans.
Communicating and reporting the progress will increase responsibility, transparency, and will positively impact the reputation of the organisation. Therefore, tracking and reporting progress can illustrate the commitment of organisations to sustainability, improve their decision-making, and engage stakeholders in their sustainability journey.

Stage 4: Improving continuously

Stage 4 consists of continuous improvement and a learning process by promoting and encouraging training sessions, workshops, and knowledge-sharing related to sustainability. In addition, the organisation should always stay up-to-date on the emerging market trends of sustainability and best practices adopted.

Moreover, to foster ongoing improvement in sustainability practices, organisations should engage with external sustainability experts and consultants to gain innovative insights and recommendations for improvement.

On the other hand, organisations should benchmark their sustainability performance with other organisations to learn from their practices that align with the organisation's goal.

For the purpose of improving sustainable practices, organisations should adopt a trial-and-error method where they test new initiatives and ideas and improve them if necessary to advance their sustainability journey. Overall, sustainability is an evolving domain, and committing to ongoing progress is significant to making meaningful contributions to a better sustainability plan.

To conclude, it is necessary to note that reaching a better sustainable journey is not a fixed path to follow and organisations might face challenges along the way. Incorporating sustainable business strategies, transitioning to a sustainable business model, monitoring progress, and continuously improving this journey is essential for an organisation to successfully apply these theoretical stages and improve its sustainability practices.

1.4. Conclusion

In conclusion, sustainability is important as it focuses on balancing economic wealth, social well-being, and environmental preservation. It ensures that people meet their needs in the present without compromising the ability of future generations to meet theirs. The triple bottom line is a concept introduced by John Elkington, which consists of three dimensions: economic, social, and environmental, necessary for assessing an organisation's overall performance. In addition, time plays a significant role in achieving sustainability. Sustainable businesses have to make intertemporal trade-offs to ensure intergenerational equity.

Overall, sustainability is a dynamic and continuous journey, where organisations should constantly improve their practice to make a positive impact on the economy, society, environment, and their long-term success.

Moreover, achieving corporate sustainability requires dedication and several steps. Each corporation's sustainability journey might differ from the other. However, integrating social, environmental, and economic strategies in each organisation is a crucial step in this long-term process.

Recalling the key principles outlined in this chapter. How can an organisation integrate these principles into its core values and decision-making processes for a long-lasting impact?

2. CHAPTER

SUSTAINABILITY ROADMAP: THE PATH TO A RESILIENT AND RESPONSIBLE ORGANIZATION

2.1. Introduction

> "Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship, and strengthen governance."
> - Ban Ki-moon.

The transition from a traditional company to a sustainable one requires strong leadership, strong communication with all stakeholders, strong employee engagement, and great mechanisms for execution.

The first part contains a definition of the field and a description of the assessment of the sustainability performance of an organization.

In the second part, this chapter explains its approach and highlights the importance of these interactions. The study's primary focus remains on tracing the steps and considerations for initiating and managing sustainability transformations within organizations, particularly through an environmental, social, and governmental lens.

The third part highlights the sustainability transformation model of organizations, which consists of twelve critical steps that aim to guide organizations through the complex journey toward sustainability.

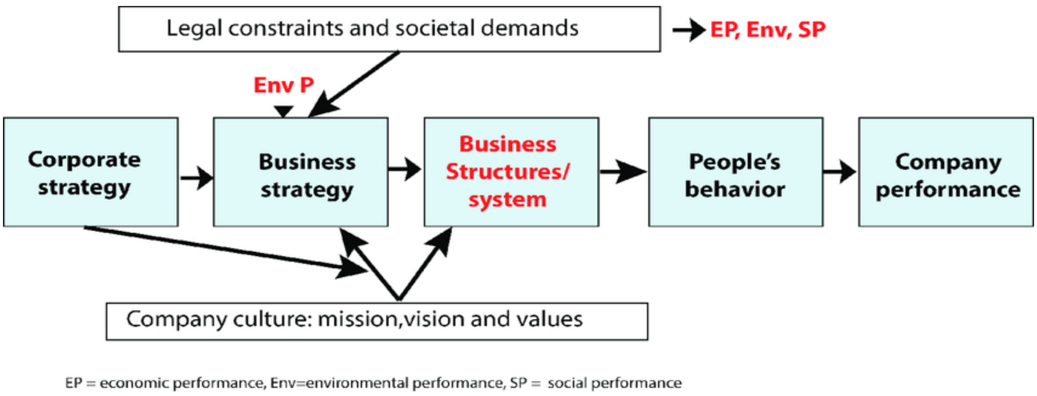
The fourth paragraph consists of the several reasons that entitle a company to organize sustainably.

2.2. Description of the field

When embarking on the sustainability journey, a company must thoroughly rethink its mission, vision, and values, consider legal constraints, and evaluate all aspects of its management structures. Figure 1 outlines the various areas that demand attention when developing a sustainability strategy.

Sustainability entails establishing a society where a good balance is achieved among economic, social, and ecological objectives. For businesses, this involves supporting and enhancing economic growth, shareholder value, prestige, corporate reputation, customer relationships, and the quality of products and services. In addition, it involves embracing and promoting ethical business practices, developing sustainable employment opportunities, building value for all stakeholders of the company, and addressing the needs of the underserved.

Figure 4 Assessing the sustainable performance of a company (



Source: Mishra, Ram & Singh, Punam & Sarkar, Shulagna. (2013). Corporate Social Responsibility: Interventions of Oil and Gas Central Public Sector Enterprises in India. International Journal of Business Ethics in Developing Economies. 2. 1-9. 10.26643/think-india.v16i3.7815.)

2.3. Approach and framework of the study

Sancak (2023) conducted a study that highlights the transformation processes of business organisations while shedding light on the best environmental, social, and governmental factors that play a crucial role in this transformation model. The concept of sustainability transformation is viewed as a deliberate organisational change, deploying upon Stouten, Rousseau, and Cremer's model of ten evidence-based steps in managing planned organisational change. This model integrates insights from seven cornerstone organisational change models and provides a sequential framework from initiating change to full implementation and institutionalisation.

This study adopts a transformational sustainability science approach, which aspires to design solution-oriented strategies for transitioning toward sustainability. It focuses solely on ESG-oriented sustainability transformation while keeping other factors constant, such as performance evaluations of sustainability practices or the impact of other big trends like digital transformation.

In conclusion, the study provides insights into how organisations can embark on and execute successful sustainability transformations, emphasising the importance of understanding the interplay between environmental, social, and governance factors within the context of planned organisational change.

The regulatory environment significantly influences the content and sequence of sustainability transformation processes, potentially leading to variations in how the sequential sustainability transformation model (STM) is applied across firms and sectors. The study acknowledges that regulatory landscapes shape the implementation of sustainability transformations and highlights the need to consider firm-specific, sector-specific, and jurisdiction-specific factors when applying the sustainability transformation model.

Moreover, the study does not dive into the interactions between Environmental (E), Social (S), and Governance (G) factors. It does not explore how E factors influence S or G factors and vice versa, nor does it address how to strike a balance among different sustainability elements. While recognizing the importance of these interactions and balance, the study's primary focus remains on tracing the steps and considerations for initiating and managing sustainability transformations within organisations, particularly through an ESG lens.

2.4. Sustainability transformation model

Based on Sancak (2023), the sustainability transformation procedure consists of twelve key steps aimed at guiding organisations through the complex journey toward sustainability. Here's an outline of each step.

2.4.1 Assessing the opportunity or problem

These decisive steps lay down the phases for meaningful and impactful sustainability initiatives within the organisation.
As organisations embark on the journey of sustainability transformation, they are advised to seek guidance and expertise from scientists and experts in the field. These professionals offer valuable insights and methodologies to start the process efficiently.
A fundamental element of this transformation involves developing a thorough understanding of sustainability principles. According to the Penn State Sustainability Institute, organisations must invest in comprehending the complexities of sustainability to apply a strong foundation for their initiatives.
Gathering relevant data and facts emerges as a key step in the sustainability transformation process. By collecting and analysing relevant information, organisations can ascertain the necessity for change. Stakeholders must perceive the rationale behind the proposed changes as legitimate and reasonable, ensuring their support and commitment throughout the journey.
Furthermore, assessing the organisation's readiness for sustainability change is crucial. This evaluation contains a thorough examination of senior leadership capability and strategic alignment. Effective leadership and alignment with organisational objectives are key determinants of the organisation's readiness to embrace sustainability initiatives.
In summary, the sustainability transformation journey starts with seeking expert guidance, promoting a deep understanding of sustainability principles, gathering pertinent data, and assessing organisational readiness. These key steps set the stage for meaningful and impactful sustainability initiatives within the organisation.
As the next step, organisations should recognize the types of change needed and improve readiness across all levels of the organisation, involving back office, mid-office, and front office.
Organisations should as well identify critical ESG issues specific to the organisation through an ESG materiality map, as approved by Eccles and Serafeim.
In addition, they should establish quantifiable metrics to track sustainability performance, tailored to the organisation's context and sector differences and determine target values and establish a base year to monitor progress effectively over time.

Another step is to adjust to country or region-specific regulations and compliance requirements, with a focus on sustainability infrastructure and emerging regulatory trends and to identify potential risks associated with sustainability transformation efforts and preparing mitigation strategies.

Furthermore, organisations should recognize opportunities inherent in ESG-oriented sustainability transformation efforts, including attracting investment and enhancing financing capacity and promote the adoption of sustainability language and understanding among key stakeholders within the organisation, as suggested by KPMG.

Overall, these steps represent a systematic strategy to navigate the multifaceted challenges and opportunities of sustainability transformation within organisations.

2.4.2 Select and support a guiding change coalition

In the context of sustainability transformation, the formation of change coalitions is emphasised as crucial due to the various perspectives and input members can offer. The design and composition of these coalitions can signal consensus about the importance of sustainability transformation within an organisation.

Various authors emphasise the significance of building coalitions incorporating influential individuals from diverse backgrounds. These coalitions not only mobilise support across different identities but also help oppose resistance to change efforts. Collaboration among stakeholders is considered essential for co-creating sustainable value.

However, failure to establish a powerful enough guiding coalition is identified as a common mistake in transformation efforts by Kotter. Therefore, in sustainability transformation, the building of a powerful change coalition is vital for success.

The provided model (STM) suggests three transformational steps related to change leadership and coalition-building:

- Developing Effective Change Leadership: This step involves developing leadership capable of driving sustainability transformation while including input from all stakeholders.
- Establishing a Dedicated High-Level Committee: Creating a formal committee within the organisational structure dedicated to managing sustainability transformation efforts.

- Forming a Sustainability Team: Establishing a team focused on operational sustainability change and facilitating transformation throughout the organisation.

These steps underscore the importance of collaborative leadership and structured mechanisms for driving sustainability transformation effectively within organisations.

2.4.3 Formulating a clear and compelling vision for sustainability

In the sustainability transformation model, drafting a clear and effective vision for sustainability change stands out as a significant step, offering organisations and stakeholders a roadmap toward influential transformation. It's highlighted in literature that a well-articulated vision is instrumental in conducting effective change efforts.

Fundamental aspects highlighted in the model include several tools.

Global Sustainability Anchors indicates that organisations are advised to synchronise their visions with global standards such as the United Nations' Sustainable Development Goals (SDGs) and the targets drafted in the Paris Agreement. These frameworks provide wide guidance for sustainability endeavours.

Moreover, alignment with Global Sustainability Standards suggests that businesses are advised to embrace voluntary frameworks like the Principles for Responsible Investment (PRI) and adhere to international standards established by bodies like the International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI) to integrate Environmental, Social, and Governance (ESG) issues into their operations.

Besides, alignment with National and Regional Sustainability Guidelines indicates that alongside global standards, organisations must align with country-specific targets, climate regulations, and sustainability reporting requirements, respecting the regulatory frameworks of their operational landscapes.

In addition, alignment with Sectoral Sustainability Guidelines states that businesses are expected to comply with sector-specific sustainability metrics, regulations, and standards often stipulated by sectoral regulatory bodies and industry associations. Furthermore, developing a Sustainability Transformation Strategy consists of developing a comprehensive strategy document reflecting the organisation's vision, mission, and stakeholder interests is critical for driving sustainable change effectively. Therefore, formulating a Compelling Vision Statement indicates that the vision statement should be straightforward, transparent, and impactful, reflecting shared aspirations and motivating features identified through stakeholder engagement. Altogether, these transformation steps highlight the necessity for organisations to coordinate their sustainability visions with global, national, and sector-specific benchmarks while developing strong strategies to initiate significant change.

2.4.4 Communicating the vision

In the sustainability transformation model, effective communication of the vision is essential for conducting change and gathering support from stakeholders. Below are the key points of communicating effectively.

Fundamentally, the vision should be communicated through various communication channels such as newsletters, social media, and workshops. Repetition and quality evidence support the effectiveness of vision communication, as emphasised by Stouten et al. Kotter underscores the importance of "walking the talk" to strengthen the vision.

Subsequently, innovations and Stakeholder Engagement are necessary, which translates into the communication about innovations in products, processes, and business models that is essential for engaging stakeholders and guaranteeing they understand the implications of sustainability transformations on their relationships with the organisation.

Moreover, an important step is delivering adequate justification for change, and involving external experts and social scientists in sustainability play a necessary role in convincing stakeholders to support the transformation.

Additionally, promoting sustainability messages via multiple channels, such as joining global initiatives like the Race to Zero Campaign and holding press conferences, is essential for ensuring stakeholders receive and understand new sustainability news.

Besides, promoting integrated reporting that incorporates financial and ESG performance information can effectively communicate firms' real performance and drive sustainability changes within the organisation.

Ultimately, communicating the vision should translate into real-life behaviours at work and in the lifestyle of key stakeholders. Top managers should guide by example, adopting sustainable practices such as using bicycles or public transportation to minimise carbon footprints.

In successful transformation cases, aligning behaviours with the vision helps institutionalise change and develop a sustainability culture within the organisation. These steps are essential for ensuring that sustainability transformation efforts are effectively communicated and adopted by stakeholders at all levels.

2.4.5 Mobilising energy for change

In the sustainability transformation model, mobilising energy for change involves planning the implementation of the change across diverse levels of the organisation. Research suggests that a significant percentage of change programs fail due to employee resistance and insufficient management support.

Key points outlined:

- Implementation Planning: Organisations need tangible and clear implementation strategies aligned with the new vision and strategy to avoid uncertainties associated with change. Developing and declaring a roadmap promptly can help mitigate barriers and demotivating factors.
- Defining New Roles and Responsibilities: Implementing the change plan requires determining and announcing new roles and responsibilities in alignment with the roadmap. A clear illustration of responsibilities ensures accountability and clarity in execution.
- Mobilising Resources: Successful transformation requires sufficient resources in terms of funds, time, effort, and motivation to accomplish transformation goals. Mobilising proper resources is critical for executing the change plan effectively and efficiently.

In conclusion, organisations experiencing sustainability transformation must plan and communicate implementation steps, define new roles and responsibilities, and mobilise resources to ensure the successful execution of the change efforts. These steps are essential for overcoming resistance, fostering alignment, and achieving desired sustainability outcomes.

2.4.6 Empowering others to act

The journey towards sustainability within organisations involves empowering employees, specifically through providing time and knowledge about sustainability evolutions. Research by the University of Cambridge Institute for Sustainability Leadership highlights this key factor. Additionally, Perkins and Serafeim (2015) emphasise the evolving governance and commitments of chief sustainability officers (CSOs) as organisations progress through different stages of sustainability commitment: compliance, efficiency, and innovation.

As organisations thrive in their sustainability commitment, the authority of CSOs tends to increase. However, sustainability transformation requires a comprehensive approach that affects all levels of employees and stakeholders, not only relying on CSOs. Establishing a central sustainability unit, as suggested by Riese (2020), can simplify this process by coordinating transformation policies and securing cost efficiency. However, there's a risk that this central unit may lack the power to drive the entire organisation toward sustainability.

The next step in the transformation process involves assigning appropriate responsibilities, titles, and powers to various stakeholders throughout the organisation. This empowerment must be coupled with the elimination of obstacles to change, managing systems or structures that oppose the sustainability vision, and encouraging a culture that promotes risk-taking and nontraditional ideas and activities. These steps, as outlined by Kotter (2007), are essential elements of effective sustainability transformation.

2.4.7 Developing and promoting change-related knowledge and ability

Sustainability transformation within organisations is a multifaceted endeavour that requires changes across various dimensions. Below are the fundamental elements of this transformation.

Primarily, learning and communication translate into adopting a common language and understanding the Environmental, Social, and Governance (ESG) context is crucial for sufficient communication. Training and development at all levels are necessary to provide employees with the knowledge and skills required for sustainability initiatives (Stouten et al., 2018; KPMG, 2020).

Subsequently, overcoming Barriers designates that short-term incentives, expertise shortages, capital-budgeting limitations, and investor pressures can inhibit organisational change toward sustainability (Eccles and Serafeim, 2013; Schoenmaker and Schramade, 2019).

In addition, innovating while applying sustainable practices suggests that sustainability transformation is more likely to succeed when it fosters innovation, sustainable products, services, and business models (Eccles and Serafeim, 2013; Schlaile et al., 2017).
Besides, Human Resources and personnel management is a step that proposes that organisations should align their human resources policies with sustainability goals, considering factors such as equality, diversity, labour rights, and health and safety issues (Schoenmaker and Schramade, 2019).
Thereafter, in-house sustainability and circular economy is another important step that entitles organisations to contribute to sustainability by converting their operational activities, adopting circular economy principles, and reducing energy consumption and greenhouse gas emissions (UNEP, 2020).
Moreover, norms and lifestyle changes are one important step toward sustainability knowledge and skills which then translate into new norms and behaviours in the workplace, fostering a culture of sustainability (Stouten et al., 2018).
Eventually, "Walk the Talk" is an idea that means that it's essential to encourage stakeholders to incorporate sustainability principles in their actions and decisions, promoting authenticity in sustainability transformation efforts.
In summary, sustainability transformation requires a comprehensive procedure that manages communication, learning, innovation, organisational barriers, human resources policies, operational practices, and cultural transformations toward sustainability.

2.4.8 Identifying short-term wins and using them as reinforcement of change process

Short-term wins play a crucial role in sustainability transformation efforts by convincing sceptical individuals and reinforcing ongoing change initiatives. These wins help address resistance and maintain momentum toward long-term sustainability goals. However, it's significant to recognize that sustainability transformation is a long process, often taking more than five years, as noted by the University of Cambridge Institute for Sustainability Leadership (2020).
Identifying and celebrating short-term targets and accomplishments are essential for boosting enthusiasm and motivation among stakeholders. Recognizing employees involved in these improvements can serve as positive reinforcement, as emphasised by

Kotter (2007). Nonetheless, organisations must avoid interpreting short-term wins as the ultimate measure of success in sustainability transformation. Kotter warns against prematurely declaring victory, as it can lead to satisfaction and restrain long-term progress.
It's crucial to raise awareness about the distinction between short-term gains and long-term expectations in sustainability transformation strategies. Organisations should ensure that stakeholders understand the cumulative nature of change and remain committed to the broader, long-term vision. This awareness helps prevent misunderstandings and maintains focus on the ultimate sustainability goals amidst the pursuit of short-term successes.

2.4.9 Monitoring and strengthening the change process

Sustainability commitments made by organisations often fall short of actual fulfilment. Despite 85% of Fortune 500 companies making bold sustainability pledges, less than 30% are on track to meet them (Engie Impact, 2021). Achieving sustainability goals requires constant monitoring, assessment, and transformation of processes, both internally and externally.
In the sustainability transformation journey, attention should be given to changes in commitment, competency, and effectiveness over time, alongside the implementation of new practices (Stouten et al., 2018). Monitoring and assessing sustainability performance entails reviewing initial change steps, particularly in identifying key performance indicators (KPIs) and setting target values, as well as ensuring compliance with regulatory requirements and industry standards.
Internal and external monitoring may yield different results and reliability levels, driving organisations to consider engaging with third-party ESG-alignment security firms or ESG rating agencies for unbiased evaluations. However, significant divergences exist among ESG ratings calculated by different agencies, suggesting the need for global sustainability taxonomies such as the IFRS Sustainability Taxonomy (Berg et al., 2022).
Monitoring and performance evaluations should strengthen sustainability transformation processes by updating and realigning transformation plans with the organisation's vision. Besides, communicating monitoring activities and adapting change progress with the guiding coalition and other stakeholders is essential (Stouten et al., 2018).
Organisations must prioritise the big picture, focusing on ESG factors and the Sustainable Development Goals (SDGs) while monitoring progress and developing transformation

programs further. Truly sustainable organisations challenge themselves to evaluate the societal and environmental benefits of their products and services, seeking to provide solutions to pressing issues in nature and society (Dyllick and Muff, 2015).

2.4.10 Institutionalising change in company culture, practices, and management succession

The last steps in sustainability transformation focus on institutionalising change within organisational culture, practices, and management succession. This involves deploying enabling structures to sustain new practices and enhance their efficiency and effectiveness (Stouten et al., 2018). Anchoring changes in organisational practices, culture, and management succession is crucial for long-term success.

Implementing sustainability programs may encounter resistance due to organisational rigidity and subcultures, necessitating efforts to overcome barriers and promote cultural change (Linnenluecke and Griffiths, 2010; Bateh et al., 2014). Surface-level changes such as sustainability reporting and integrating sustainability measures into employee evaluations can facilitate shifts in values and beliefs (Linnenluecke and Griffiths, 2010).

Conscious efforts to reveal how new approaches have improved performance and ensure that the next generation of management incorporates these changes are essential for institutionalisation (Kotter, 2007). Management succession decisions play a critical role, as one poor decision can undermine years of transformation efforts (Kotter, 2007).

Institutionalising change also involves addressing new risks and opportunities. Organisations must manage risks dynamically and be careful of greenwashing, while also capturing opportunities presented by sustainability. Viewing sustainability as an opportunity for growth and innovation is fundamental to success (Kerrigan and Kulasooriya, 2020; Eccles and Serafeim, 2013; Matos and Clegg, 2015).

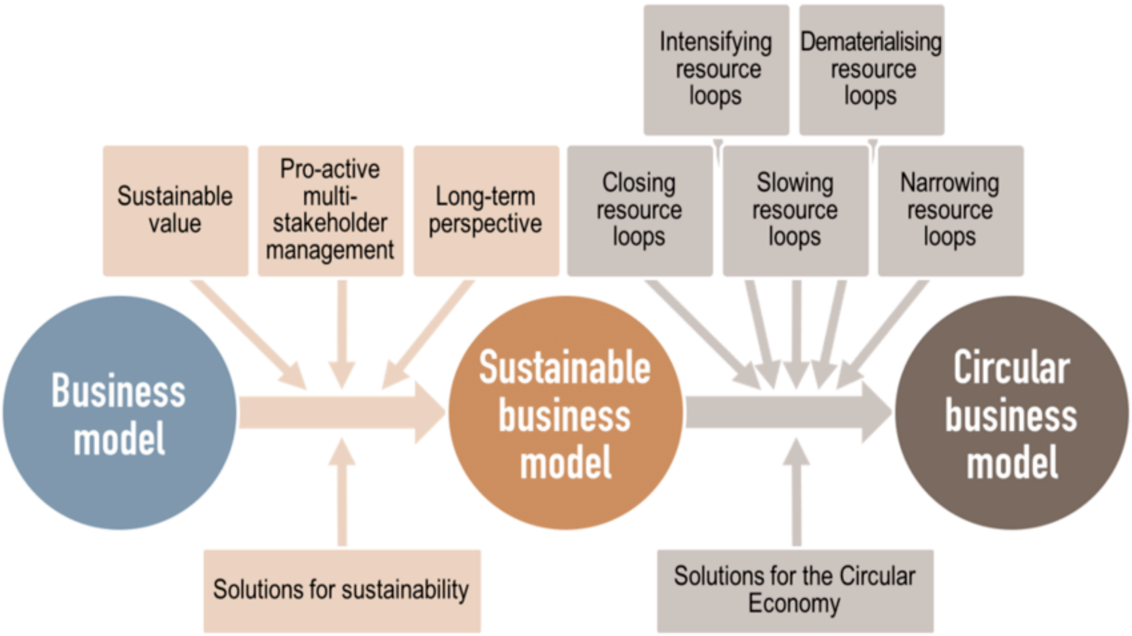
The final step involves transitioning from transformation phases to executing an actual sustainability level. Institutionalising sustainability is essential to sustain transformation efforts and become part of the new normal in the desired net-zero economy (University of Cambridge Institute for Sustainability Leadership, 2020).

In summary, sustainability transformation involves institutionalising change within the organisation, managing risks and opportunities, and transitioning to a sustainable operating model for long-term success in a changing world.

2.5. Why am I organising?

The sense of urgency to tackle overconsumption, environmental degradation, and social unfairness has become widespread in recent years. The challenges ahead call for a shift from the usual 'do-less harm' thinking to more proactive 'do-no-harm' or, even better, 'do good' paradigms that reform and improve the natural environment (Isil & Hernke, 2017; Pagell & Shevchencko, 2014). While many already-established companies are following ambitious programs to improve collective social and environmental outcomes.

Figure 5 *Comparison of traditional, sustainable, and circular business models: business models and supply chains for the circular economy.*



Source: Geissdoerfer, 2018.

The diagram outlines the key differences between traditional, sustainable, and circular business models:

The first model consists of the traditional business model, which prioritizes profit maximization through economic value creation, often disregarding environmental and social considerations. It commonly follows a linear "take-make-dispose" approach, leading to resource depletion and pollution.

The second model is the sustainable business model, which integrates environmental and social concerns alongside economic aspects. It aims to minimize negative impacts while creating economic value. Sustainable businesses might, for instance, adopt techniques like eco-friendly packaging or energy-efficient operations.

The third model is the circular business model, which goes beyond reducing negative impacts and focuses on creating closed-loop systems. It emphasizes resource efficiency, product lifecycles, and waste reduction. Circular businesses might, for instance, design products for disassembly and reuse or implement programs for recycling materials.

Overall, the image highlights the critical shift required towards circularity and “organizing for sustainability” to address environmental challenges and build a more sustainable future.

Sustainability cannot be achieved only by conformity. However, it requires the top management's support and line manager commitment for the implementation of this culture in the organisation with a fundamental rethinking of the organisation’s structures, cultures, and processes. Leadership, collaboration and stakeholder engagement are all critical factors in promoting sustainability.

In addition, companies should always be open to acquiring and experimenting during the process of the implementation of sustainable practices and business models.

An organization may decide to organize sustainably for several reasons, which often include social, environmental, and economic factors:

First, many organizations identify their impact on the environment through their operations, including waste reduction, resource consumption, and carbon emissions. Organizing sustainably involves decreasing these negative environmental impacts by embracing practices that save resources, minimize pollution, and encourage biodiversity.

The second reason is the long-term viability that views sustainability as an essential factor. By operating sustainably, organizations can reduce risks associated with resource insufficiency and shifts in consumer preferences. Sustainable practices can also lead to cost savings through energy efficiency, waste reduction, and enhanced resource management.

The third reason is about the reputation and branding of the organization. Consumers and stakeholders continuously expect organizations to illustrate a commitment to sustainability. Organizing sustainably can enhance an organization's reputation, create trust with customers, and distinguish it from competitors. A strong sustainability strategy can become a priceless part of a company's brand identity.

One other step is about compliance and regulation where governments and regulatory bodies are implementing tougher environmental standards and regulations targeting issues such as climate change, pollution, and resource shortage. Organizing sustainably helps organizations conform to these regulations and avoid potential penalties, legal actions, and reputational damage.

In addition, employees are often more motivated and committed when working for organizations that align with their values, including environmental and social responsibility. When an organization includes sustainability in its strategies, this can improve employee satisfaction, attract top talent, and reduce turnover rates.

Moreover, sustainable practices can improve an organization's resilience to environmental and social disturbances. By diversifying supply chains, reducing reliance on finite resources, and promoting community relationships, organizations can better adjust to changing conditions and minimize potential risks.

The final step consists of adopting sustainability which drives innovation by promoting the development of new products, services, and business standards that are environmentally friendly and socially responsible. Organizations that lead in sustainability can acquire a competitive advantage by capturing new markets, attracting investors, and promoting business partnerships.

In summary, organizing sustainably is crucial for organizations to handle environmental challenges, satisfy stakeholder expectations, comply with regulations, enhance reputation, and achieve long-term success in an increasingly connected and resource-constrained world.

2.6. Conclusion

In conclusion, the model of Sancak (2023) provides a structured approach to guide organisations through the complicated process of sustainability transformation, highlighting stakeholder engagement, clear communication, and effective resource management.

In addition, sustainability transformation is a multi-faceted journey that requires dedication, innovation, and cultural change within organisations. Fundamental elements include empowering employees, setting clear sustainability goals, monitoring progress, and institutionalising change. Short-term successes and continuous learning play crucial roles in maintaining momentum and overcoming resistance. Success depends on incorporating sustainability into organisational culture, practices, and management succession, while also handling new risks and opportunities. Finally, sustainability transformation is not just about achieving short-term targets but about transitioning to a sustainable operational model that aligns with global sustainability goals and promotes long-term resilience and growth.

How can organisations guarantee that their sustainability transformation strategies remain adaptive and responsive to evolving environmental, social, and governance (ESG) challenges?

3. CHAPTER

IN BETWEEN *BORN* AND *BECOMING* SUSTAINABLE

3.1. Introduction

The concept of 'Born Sustainable Firms' (BSFs), as explained by Knoppen and Knight (2022), represents companies that are founded with a distinct strategic objective centered around sustainability. These firms take a significant role in the ongoing sustainability transition and represent a crucial yet underutilized domain for research inquiry.

A 'Born sustainable firm' is characterized by its fundamental commitment to sustainability, with environmental stewardship and social responsibility incorporated into the fabric of its operations from the beginning. Unlike conventional organizations where sustainability may be an afterthought, every element of a born sustainable firm's activities is oriented towards the principles of sustainability, encompassing efforts to minimize environmental impact while maintaining social accountability.

In contrast, organizations desiring to attain sustainability must experience a comprehensive transformation process. This entails the formulation of a new strategic framework that encompasses all stakeholders and necessitates a fundamental shift in organizational culture, practices, and values.

Therefore, the distinction between born sustainable firms and organizations aspiring towards sustainability lies in the former's innate alignment with sustainable principles versus the latter's journey towards sustainability through deliberate strategic reorientation and stakeholder engagement. This differentiation underscores the unique challenges and opportunities inherent in both approaches to sustainable business practices.

The first paragraph identifies the different key points that distinguish a traditional company from a sustainable one. The second paragraph

3.2. Sustainable companies vs Traditional companies

Traditional organizations and sustainable companies represent distinct paradigms in contemporary business practices, each of them embodying opposing approaches to environmental governance and social responsibility. Sustainable companies, usually regarded as pioneers in corporate sustainability, prioritize eco-friendly operations by incorporating renewable resources, minimizing waste, and adopting environmentally sustainable practices. In contrast, traditional organizations may not prioritize environmental concerns to the same extent, potentially relying on non-renewable resources and generating environmental externalities.

Furthermore, sustainable companies emphasize the importance of social responsibility by actively engaging in community development, ensuring equitable treatment of employees, and promoting diversity and inclusion within the workplace. This commitment reflects a long-term perspective on organizational conduct, recognizing the interdependence between business activities and broader societal welfare. Contrarily, traditional companies may prioritize short-term profitability over social concerns, potentially neglecting the welfare of stakeholders and the communities they operate.

The divergent approaches of sustainable and traditional organizations highlight distinct values and priorities within the corporate landscape. Sustainable companies champion environmental sustainability, social equity, innovation, transparency, and accountability as core elements of their operational framework. In contrast, traditional organizations may adhere to conventional business models that prioritize immediate financial gains and operational efficiency, potentially overlooking the long-term sustainability of their practices.

As consumer preferences increasingly gravitate towards sustainable products and ethical business practices, the distinction between traditional and sustainable companies assumes heightened significance in shaping the trajectory of corporate sustainability and environmental stewardship. The evolving landscape of corporate responsibility underscores the imperative for businesses to integrate environmental and social considerations into their operational frameworks to encourage long-term viability and contribute to sustainable development.

In summary, the contrast between traditional organizations and sustainable companies highlights the transformative potential of businesses in promoting environmental sustainability and social welfare. As stakeholders demand greater accountability and ethical behavior from corporations, the distinction between these two paradigms becomes increasingly salient in shaping the future trajectory of business and societal welfare.

3.3. Navigating the transition to sustainability

The transition towards sustainability requires genuine commitment from firms. Industrial ecology emphasizes the responsibility in this objective, investing economics with a moral dimension and expanding the role of businesses beyond mere resource maximization (Ehrenfeld, 2000; Muñoz & Cohen, 2018). Challenging the traditional notions of development driven by neoclassical economic principles, industrial ecology sets several important ideas: human welfare cannot equal the economic output; the assumption of continuous growth is not realistic; the limited nature of natural resources determines their availability in the long term; and technological advancements alone cannot resolve all challenges (Ehrenfeld, 2000).

The recognition of industrial ecology among management scholars grew as the limitations of 'triple bottom line' thinking became apparent, where economic, social, and environmental outcomes were supposedly given equal weight (Elkington, 1998). The economic dimension primarily represents a firm's self-interest, while the social and environmental dimensions reflect the interests of external stakeholders often treated as externalities in decision-making models.

Additionally, the economic dimension tends to prioritize short-term gains, whereas the social and environmental dimensions contain longer-term considerations.

Consequently, when encountered with trade-offs, firms typically prioritize the economic dimension (Busse, 2016). Consequently, achieving a balanced approach, such as aiming for double-digit growth while supervising raw material consumption, is challenging, if not impossible, as recently acknowledged by Elkington himself (2018).

On second thought, an ecologically predominant logic suggests that, if the purpose is to balance resource production and consumption over time and to ensure intergenerational equity, we have to prioritize the environment first, society second, and economics third (Markman et al., 2016; Montabon et al., 2016). It recognizes the problem of the nonsubstitutability of economic, natural, and social capital, the non-linearity of capital shortage, and the irreversibility of capital deterioration (Dyllick & Hockerts, 2002). In brief, it refers to a triple-embedded view as opposed to the triple bottom-line view (Muñoz & Cohen, 2018). Entrepreneurship research shows that firms can contribute to the sustainability transition (Cohen & Winn, 2007; Genus, 2020; Muñoz & Cohen, 2018; Parrish, 2010; Shepherd & Patzelt, 2011). Bocken et al. (2014) pinpointed a range of archetypes of novel, sustainability-centred business models with diverse combinations of eight objectives:

- Maximize material and energy efficiency
- Create value from 'waste'
- Substitute with renewables and natural processes
- Deliver functionality rather than ownership
- Adopt a stewardship role
- Encourage sufficiency
- Re-purpose the business for society/environment
- Develop scale-up solutions.

Visionary entrepreneurs (Kearins et al., 2010) have more significant freedom to seek sustainability through dynamic and recursive activities that generate and refine potential opportunities (Shepherd, 2015). As such, entrepreneurs do not necessarily use some pre-identified opportunity, but the opportunity is rather an emergent result of entrepreneurial actions and environmental contingencies (Akemu et al., 2016). In this case, entrepreneurs "take a set of means as given and focus on selecting between possible effects that can be created with that set of means" (Sarasvathy, 2001: p. 245).

Through entrepreneurial activity focused on innovation and resource allocation, a future is shaped, not only foreseen. This is evidenced by the inflow of venture capital funding to green tech start-ups (The Economist, 2020; York & Venkataraman, 2010). New experiences are not only scaled-down versions of large firms (Arend & Wisner, 2005) but rather differ from large firms in three fundamental ways. Firstly, ‘resource poverty’ is both a condition and differentiator (Welsh & White, 1981). Secondly, new experiences are structurally straightforward with little functional focus or specialization in roles, where the founders have a key role as they generally perform the role of relationship and network manager (Ellegaard, 2006). Thirdly, new experiences are often not accountable to external shareholders.

3.3.1 Challenges and barriers

The path to sustainability, while paved with good intentions, can encounter obstacles and challenges for any company embarking on this transformative endeavor. These hurdles can be internal and external and can create a complicated experience, testing the company's resolve and demanding innovative solutions.

Financial Crossroads

- The Green Premium: Adopting sustainable practices often necessitates upfront investments in new technologies, materials, or processes. This "green premium" can strain budgets and lead to short-term profitability concerns, especially for companies facing intense market competition. Balancing long-term sustainability goals with immediate financial pressures requires careful planning and strategic communication with stakeholders.
- Unlocking the Green Vault: Accessing funding for sustainable initiatives can be particularly challenging for smaller companies or those in less profitable sectors. Innovative financing mechanisms, such as green bonds or impact investing, can be explored, but navigating these avenues can be complex and time-consuming.

Operational Limitations

- Supply Chain Symphony: Ensuring sustainability across a complex supply chain demands a well-orchestrated effort. Sourcing ethically and sustainably produced materials requires collaboration with diverse stakeholders, each with their challenges and priorities. Building trust and transparency throughout the supply chain is crucial, but not without its logistical complexities.

- Technological limitations: Existing technologies may not be readily available or advanced enough to meet ambitious sustainability goals. Companies must walk a tightrope, balancing the adoption of new technologies with the need for reliable, cost-effective solutions. Continuous innovation and partnerships with research institutions can be key to overcoming these technological hurdles.
- Logistical Labyrinth: Implementing sustainable practices often requires adjustments in production processes, logistics, or waste management. These changes can disrupt established routines and require employee training and adaptation. Effective communication, clear goals, and a supportive company culture can help navigate this logistical labyrinth and ensure a smooth transition.

Internal Opposition

- Breaking Old Habits: Employees at all levels, from seasoned veterans to recruits, may be resistant to changes in their work routines or practices, even when they understand the importance of sustainability. Overcoming this resistance requires genuine engagement, clear communication of the benefits, and opportunities for participation in shaping the sustainable future of the company.
- Knowledge is Power: Employees may lack the awareness and knowledge necessary to fully embrace sustainable practices. Comprehensive training programs and educational initiatives are essential to equip them with the skills and understanding to become active participants in the sustainability journey.
- Leading by Example: Without strong leadership buy-in and commitment, sustainability efforts can flounder. Leaders must set the tone, champion sustainability initiatives, and allocate necessary resources to demonstrate their genuine commitment to the cause. This creates a ripple effect, encouraging employees at all levels to embrace the sustainable culture.

External Opposition

- Mind the Consumer: While consumers increasingly value sustainability, their willingness to pay a premium for it can vary. Companies must find innovative ways to communicate the value proposition of sustainable products and services, balancing environmental responsibility with affordability and market competitiveness.

- Regulatory Maze: The regulatory landscape surrounding sustainability can be complex and ever-evolving. Navigating this maze often requires significant expertise and resources. Engaging with policymakers and advocating for clear, consistent regulations can create a more favorable environment for businesses pursuing sustainability goals.
- Infrastructure Imbroglio: The lack of readily available infrastructure for recycling, renewable energy, or sustainable waste management in some regions can pose a significant challenge. Collaborations with local authorities and participation in infrastructure development initiatives can help overcome these hurdles and create a more supportive ecosystem for sustainable practices.

In conclusion, the path to sustainability is rarely smooth, and companies venturing into this realm must be prepared to face a multitude of challenges and navigate a complex labyrinth of internal and external barriers. By acknowledging these hurdles, proactively seeking solutions, and fostering a culture of collaboration and innovation, companies can emerge stronger and more resilient, paving the way for a truly sustainable future.
Remember, this is just a starting point. You can further personalize this information by adding specific examples from your research or industry, highlighting successful strategies for overcoming these challenges, and tailoring the tone to align with your thesis and audience.

3.3.2 Resistance to change

The relentless concept of sustainability echoes across the business world, demanding a response from every company. While some embrace this new reality, others stick to the familiar, risking becoming a leader in a rapidly evolving landscape.

Financial risks

- Increased Costs: Regulations and consumer demand for sustainable products are steadily increasing. Companies lagging may face higher costs later to comply with regulations or lose market share due to a lack of sustainable offerings.
- Missed Opportunities: Sustainable practices can unlock cost savings through resource efficiency, waste reduction, and access to green financing. Resistant companies miss these opportunities, weakening their financial competitiveness.

- Investment Risks: Investors increasingly favor companies with strong sustainability practices. Resisting the trend can lead to decreased access to capital and lower valuations.

Reputational Repercussions

- Consumer Backlash: Consumers are increasingly aware of sustainability issues and may choose to avoid companies perceived as unsustainable. This can lead to negative publicity, brand damage, and lost sales.
- Employee Dissatisfaction: Employees, especially younger generations, prioritize working for companies aligned with their values. Resisting sustainability can lead to talent acquisition and retention challenges.
- Negative Media Coverage: Companies resisting sustainability may attract negative media attention, further damaging their reputation.

Operational Obstacles

- Supply Chain Disruptions: Sustainability is no longer an isolated concern but requires a holistic approach throughout the supply chain. Companies lagging may face disruptions due to non-compliant suppliers, impacting production and delivery timelines.
- The Shifting Regulatory Landscape: The regulatory landscape surrounding sustainability is constantly evolving. Companies that are resistant to adapting risk falling out of compliance, leading to operational challenges and potential legal consequences.
- The Innovation Gap: Sustainability often sparks innovation in new technologies and processes. Companies resistant to change may miss out on these opportunities, potentially falling behind competitors who embrace the green wave.

Beyond the Bottom Line

- The Long Shadow on Society: The environmental and social costs of unsustainable practices are becoming increasingly evident. Companies choosing to resist sustainability contribute to these negative impacts, potentially facing public scrutiny and ethical criticism.
- The Future is Now: Exclamation Embracing change now allows for a smoother transition and positions them for success in the evolving market.

In short, ignoring the call for sustainability is no longer a viable option for companies seeking long-term success. While the path toward a sustainable future may seem daunting, the disadvantages of resistance are far more perilous. By embracing the change and harnessing the opportunities it presents, companies can not only safeguard their financial and reputational standing but also contribute to a healthier planet and a more just society. The choice is clear: evolve or be left behind in the dust of progress.
This elaboration incorporates human elements through metaphors and figurative language while maintaining an academic tone through the use of formal vocabulary and evidence-based reasoning. Remember to adapt this information to your specific thesis and research context.

3.3.3 Lack of awareness

The lack of knowledge extends across various stakeholder groups, creating a significant hurdle in achieving meaningful change.

The Scope of the Gap

This knowledge gap can manifest in different ways:

- Senior Leadership: Executives and decision-makers might not fully grasp the urgency and strategic importance of sustainability, prioritizing short-term gains over long-term environmental and social impacts.
- Employees: The general workforce might not understand how their actions contribute to the organization's sustainability footprint and lack the motivation to participate in initiatives.
- External Stakeholders: Investors, suppliers, and communities may not be fully aware of the organization's sustainability efforts, hindering collaboration and support.

Consequences of the Gap

The lack of awareness can have several negative consequences:

- Missed Opportunities: Organizations may fail to identify and capitalize on potential financial benefits like resource efficiency and cost savings associated with sustainable practices.

- Ineffective Implementation: Sustainability initiatives might be poorly designed, implemented, or monitored due to a lack of understanding of their underlying principles and complexities.
- Limited Engagement: Low awareness often translates to disengagement, leading to lukewarm employee participation and resistance to change.
- Reputational Risks: Public perception of an organization's sustainability efforts can be negatively impacted by a lack of transparency and understanding among stakeholders.

Bridging the Gap

To overcome this challenge, organizations need to invest in comprehensive awareness-building and education efforts:

- Leadership Commitment: Executives must champion sustainability, set clear goals, communicate their importance, and lead by example.
- Tailored Training: Develop targeted training programs for different stakeholder groups, addressing their specific needs and knowledge gaps.
- Knowledge Sharing: Create platforms for knowledge sharing and collaboration within and beyond the organization, fostering a culture of continuous learning.
- Metrics and Data Visualization: Utilize data and clear metrics to demonstrate the impact of sustainability initiatives, enhancing understanding and buy-in.
- External Engagement: Proactively engage external stakeholders, educating them about the organization's sustainability efforts and building trust.

Moving Forward can be translated by addressing the lack of awareness and understanding is not a one-time effort but an ongoing process. By continually investing in education, collaboration, and knowledge sharing, organizations can bridge the knowledge gap, unleash the collective power of their stakeholders, and pave the way for a more sustainable future.

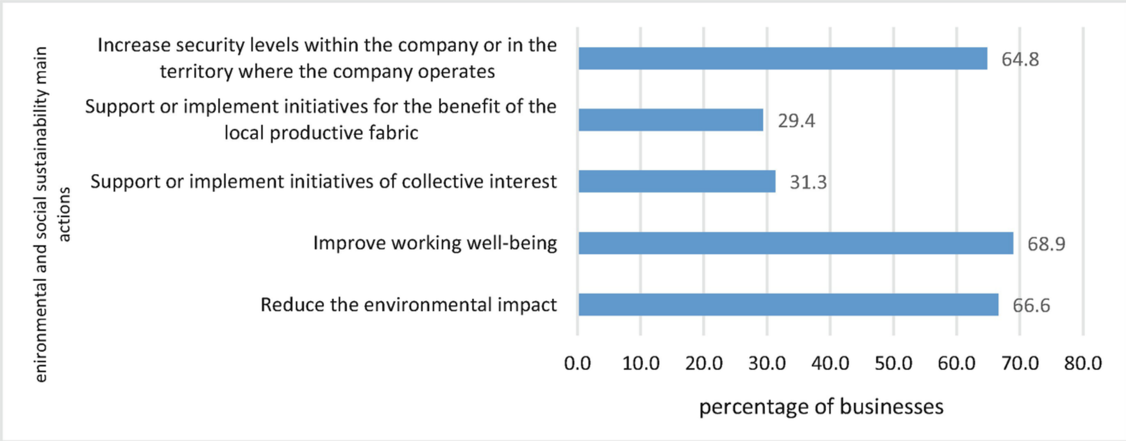
3.4. Sustainability in Italian companies

Italian companies have been increasingly shifting their concerns on sustainability approaches in recent years, aligning with global trends towards environmental and social

responsibility. Several studies have highlighted the sustainability actions of Italian small and medium-sized enterprises (SMEs) across various industries, showcasing a continuous awareness of the importance of sustainable business practices.
At first, Italian SMEs have been exploring different approaches to sustainability reporting, with some companies prioritizing certifications such as ISO standards and Environmental Product Declarations (EPDs) to demonstrate their commitment to environmental standards. These reporting initiatives are often conducted by external pressures from stakeholders like customers, who demand transparency and accountability in sustainability practices.
In addition, Italian SMEs exhibit a range of sustainability strategies, including introverted, extroverted, conservative, and visionary techniques. These strategies influence how companies integrate sustainability into their operations, with some focusing on internal actions to satisfy legal and environmental standards, while others prioritize building positive relationships with external stakeholders like customers to drive sustainability initiatives.
Furthermore, Italian SMEs in sectors such as manufacturing, furniture, and luxury goods have been actively engaging in sustainability practices. For instance, Italian furniture companies have implemented sustainability reports to showcase their environmental efforts (Borga, F., Citterio, A., Noci, G., & Pizzurno, E., 2009).
The manufacturing industry, in particular, has shown a tendency to adopt sustainability measures due to its impact on the environment. Additionally, Italian companies are also investing in research and development to enhance their sustainability practices. Studies have highlighted the adoption of sustainability practices in Italian wine SMEs, indicating a growing interest in integrating sustainability into business strategies.
The European Union's directives on sustainability reporting, such as the Corporate Sustainability Reporting Directive (CSRD), have also influenced Italian companies' sustainability actions. The CSRD mandates reporting requirements for SMEs, prompting businesses to enhance their sustainability reporting practices.
Overall, Italian companies are increasingly recognizing the importance of sustainability in driving long-term business success, enhancing reputation, and satisfying the expecta-

tions of stakeholders. By integrating sustainability into their strategies and reporting practices, Italian SMEs are positioning themselves as responsible and pioneering organizations in a competitive global market.
According to a survey based on ISTAT conducted in 2022 and 2023/2025 that delves deeper into the sustainability initiatives of Italian companies, which focuses particularly on manufacturing firms. The survey reveals that 59.5% of companies have executed sustainability measures. Among these, 50.3% have prioritized environmental safety, 44.6% have focused on social sustainability, and 36.8% have emphasized economic sustainability.
The survey highlights that large companies indicate the highest level of engagement in sustainable practices, with 81.5% participation, compared to 36.1% among small companies. However, small companies have yet to embrace the possibility of sustainable finance. They must recognize this and take action promptly.
Another examination conducted by the ISTAT survey focused on the sustainability practices among Italian companies. Among manufacturing firms, 22.3% have invested in renewable energy production, while 20.4% have implemented energy efficiency systems. Further, 14.9% engage in water recycling, 11.8% operate secondary raw materials, and 5.5% participate in industrial symbiosis, where waste from one company serves as raw materials for another. Only 5.2% of companies reuse residual production waste, and 4.7% have adopted material recycling through redesigned production procedures.
Therefore, sustainability is becoming a top priority for Italian and international companies. Two thirds of directors state that their strategy is tied to ESG issues. The adoption of sustainable practices is driven by the pressure placed on companies mainly by 3 different group of stakeholders: investors, governments and customers and employees.

Figure 6 Application of the sustainable index: A feature of sustainability in Italy



Source: our data processing on ISTAT data, Permanent Business Census 2019

3.5. Conclusion

In conclusion, sustainable companies and traditional companies represent two distinct paradigms in contemporary business practices. Sustainable companies prioritize environmental responsibility, social equity, and long-term benefits, while traditional companies may prioritize short-term profits and shareholder value. As consumer preferences shift towards sustainable products and ethical business practices, the division between these two approaches is becoming increasingly distinct. Traditional companies that fail to adapt to this changing landscape risk losing market share and damaging their reputations. On the other hand, sustainable companies are well-positioned to capitalize on these trends and contribute to a more just and sustainable future.

This chapter highlights the key differences between sustainable and traditional companies. It highlights that sustainable companies are more likely to focus on renewable resources, minimize waste, and adopt environmentally sustainable practices. They are also more likely to invest in their communities, ensure equitable treatment of employees, and promote diversity and inclusion. In contrast, traditional companies may not prioritize these same issues.

It also highlights the importance of considering environmental and social factors in addition to financial factors when making business decisions.

In addition, it provides a clear and concise overview of the key differences between sustainable and traditional companies. They also underscore the importance of sustainability in today's business world.

4. CHAPTER

SUSTAINABILITY IN ACTION: MEASURES, SKILLS, ROLES, CASE STUDIES

4.1. Introduction

Sustainability is a common word and many organisations are happy to announce it, but is there a possibility of a company to be born sustainable? For enerblu and since the beginning they considered sustainability as a competitive adv and a core for their business.

The research focuses specifically on Enerblue corporation as a case study to investigate its sustainable practices in the organisation. It aims to provide an in-depth knowledge of the strategies, initiatives, and challenges faced by Enerblue. The research will primarily use qualitative research methods, including interviews with key stakeholders within the organisation and analysis of relevant activities and practices, to collect data on the sustainability practices of Enerblue.

The study will examine different factors of sustainability within the organisation, including its integration into organisational structure, culture, and decision-making processes.

The findings of this research aim to contribute to the broader knowledge of how organisations can effectively organise for sustainability and deliver insights that can apply to similar organisations or industries and most importantly on how to successfully communicate sustainability with all the stakeholders.

4.2. Measuring Sustainability: Integrating GRI & SASB

The concept of "organizing for sustainability" requires not only adopting sustainable business models and practices but also adopting frameworks for transparency and accountability. Two principal standards that play a crucial role in this context are the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards.

4.2.1 The Global Reporting Initiative (GRI) Standards

Established in 1997, the GRI Standards represent the world's most widely used framework for sustainability reporting (Global Reporting Initiative, 2023). These thorough standards provide organizations with a structured approach to revealing their environmental, social, and economic impacts (GRI, 2023). By sticking to the GRI Standards, organizations enhance transparency and accountability to stakeholders, facilitating trust and promoting sustainable practices (WBCSD, 2020).

The GRI Standards encompass a range of universal topics, including:

- Material aspects: These are the most significant environmental, social, and economic impacts specific to an organization's industry and context (GRI, 2023).
- Stakeholder engagement: The standards highlight the importance of engaging with stakeholders to understand their sustainability concerns and expectations (GRI, 2023).
- Governance: Transparency in governance structures and processes related to sustainability is crucial (GRI, 2023).
- Ethics and integrity: Maintaining ethical principles and managing risks associated with sustainability is essential (GRI, 2023).

4.2.2 The Sustainability Accounting Standards Board (SASB) Standards

Founded in 2011, the SASB Standards focus on industry-specific sustainability exposure (Sustainability Accounting Standards Board, 2023). These standards identify a bunch of financial material sustainability topics for each of the 77 industries, enabling investors to make knowledgeable decisions based on relevant environmental, social, and governance (ESG) information (SASB, 2023).

The SASB Standards are tailored to the needs of investors seeking financially material sustainability information, providing a more attentive approach than the GRI Standards. (Abeysekera & Guthrie, 2019). They highlight key metrics and disclosure recommendations relevant to each industry, allowing for more significant comparability between companies within the same sector (Abeysekera & Guthrie, 2019).

Figure 7 Comparison of GRI Standards and SASB Standards

Source: A Practical Guide to Sustainability Reporting Using GRI and SASB Standards

4.2.3 Integrating GRI and SASB Standards

While the GRI and SASB Standards serve distinct purposes, they can be effectively integrated to provide a comprehensive approach to sustainability reporting. Organizations can leverage the GRI Standards for more comprehensive stakeholder engagement and disclosure of a wider scope of sustainability impacts while utilizing the SASB Standards to address industry-specific financial material topics appropriate to investors (Abeysekera & Guthrie, 2019). This merged approach promotes transparency, accountability, and informed decision-making across diverse stakeholder groups.

4.2.4 In summary

In conclusion, organizing for sustainability necessitates not only adopting sustainable practices but also embracing frameworks for transparency and accountability. The GRI and SASB Standards offer valuable tools for organizations to achieve this objective. By incorporating these frameworks into their reporting practices, organizations can enhance stakeholder engagement, promote informed decision-making, and contribute to a more sustainable future.

4.3. Training for Sustainability

In today's rapidly changing world, businesses encounter increasing pressure to operate sustainably. This necessitates not only embracing sustainable practices but also designing the required skills and capabilities to navigate this transition effectively. This section explores the critical skills required for companies to attain and maintain sustainability within their operations.

Transitioning to a sustainable business model demands a shift from short-term profit maximization to a long-term perspective that assesses environmental and social impacts alongside economic considerations (Elkington, 2004). Companies need skilled individuals who can:

- Design and implement long-term sustainability strategies: This involves developing enterprising yet achievable sustainability goals, aligning them with the company's overall vision, and creating a roadmap for achieving them (WBCSD, 2020).
- Integrate sustainability into core business functions: Sustainability should not be considered an isolated aspect but rather embedded into all aspects of the business, from product design and sourcing to marketing and operations (Dyllick & Hockerts, 2002).
- Foresee and adapt to changing regulations and stakeholder expectations: The sustainability landscape is constantly evolving, requiring businesses to be agile and adaptable to adjust their strategies accordingly (Stubbs & Cocklin, 2008).

In addition, sustainability cannot be achieved by an individual effort alone. Effective collaboration with both internal and external stakeholders is essential for success. Companies need individuals who can:

- Foster collaboration across departments: Different departments within a company need to work together to integrate sustainability considerations into their respective functions (Bocken et al., 2016).

- Engage effectively with external stakeholders: This includes building relationships with suppliers, customers, communities, and policymakers to understand their concerns, collaborate on solutions, and build trust (Freeman, 2010; Lüdeke-Freund et al., 2019).
- Manage stakeholder expectations and circumstances: Open communication and transparency are important for handling stakeholder concerns and ensuring buy-in for sustainability initiatives (WBCSD, 2020).

Also, the shift to sustainability often requires innovative solutions and visionary approaches to address complex challenges. Companies require individuals who can:

- Think creatively and develop innovative solutions: This involves identifying opportunities to reduce environmental impact, improve resource efficiency, and develop new sustainable products and services (Bakker, 2014).
- Embrace experimentation and learning from failures: Experimentation and learning from both successes and failures are crucial for continuous improvement in sustainability performance (Charter, 2009).
- Analyze complex data and translate insights into actionable strategies: Sustainability professionals need strong analytical skills to interpret data on environmental and social impacts and translate those insights into actionable strategies for improvement (Yuan et al., 2021).

Effectively communicating sustainability efforts to stakeholders is essential for building trust, transparency, and gathering support. Companies need individuals who can:

- Generate clear and straightforward communication strategies: This involves tailoring communication to different audiences, using accessible language, and effectively conveying the company's sustainability goals, progress, and impact (GRI, 2023).
- Embrace storytelling: Compelling narratives can connect with stakeholders on an emotional level and generate buy-in for sustainability initiatives (WBCSD, 2020).
- Leverage various communication channels: Utilizing a diverse range of communication channels, such as reports, social media, and engagement events, is crucial for reaching a wider audience (GRI, 2023).

Furthermore, the sustainability landscape is constantly evolving, requiring businesses and individuals to be adaptable and embrace continuous learning. Companies require people who:

- Stay up-to-date on the latest trends and developments in sustainability: This involves actively seeking out new knowledge, attending conferences, and participating in professional development opportunities.
- Embrace lifelong learning: A commitment to continuous learning is essential for individuals to adapt their skills and knowledge base as sustainability practices and challenges evolve.
- Be open to new ideas and perspectives: Encouraging a culture of open communication and promoting diverse perspectives can lead to innovative solutions and enhanced sustainability performance.

Building the necessary skills for sustainable business practices is an ongoing journey. By fostering strategic thinking, collaboration, innovation, effective communication, and a commitment to continuous learning, companies can equip themselves to navigate the complexities of sustainability and contribute to a more sustainable future.

4.4. Organizing for Sustainability

The research by Lespinasse-Camargo et al. (2023) sheds light on the evolving landscape of corporate sustainability experts and their roles within organizations. The study employed a mixed-method approach, combining a bibliometric assessment and a global survey, to acquire comprehensive insights into the job specifications, activities, and recent trends in this field.

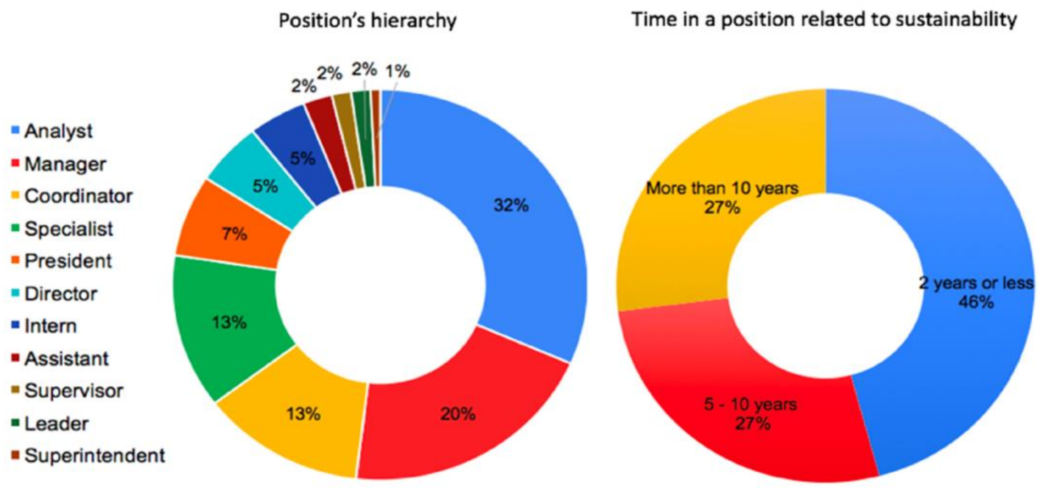
The researchers performed a bibliometric assessment using the Scopus database to pinpoint and analyze appropriate academic publications related to corporate sustainability professionals. This analysis aimed to understand the key areas of research and determine emerging trends in the field. By analyzing 442 relevant documents, the study revealed the most frequently investigated aspects of corporate sustainability professionals, providing valuable insights into the current research landscape.

To complement the bibliometric analysis, the study employed a global survey targeting individuals holding sustainability-related positions within companies. This survey gathered data directly from practitioners, offering valuable insights into the actual job responsibilities, activities, and challenges faced by sustainability professionals in real-world settings.
The combined analysis of the bibliometric assessment and global survey yielded several key findings. Below are all the key findings:

- Focus on Environmental Dimension: The research identified a predominant focus on the environmental dimension in the activities undertaken by sustainability professionals. This suggests a potential need for increased emphasis on incorporating social and governance considerations into sustainability practices, achieving a more balanced approach to corporate social responsibility (CSR).
- Strategic Alignment: The study highlighted the importance of aligning all sustainability-related policies, practices, and activities with the overall corporate strategy. This alignment ensures that sustainability efforts contribute effectively to the organization's long-term goals and objectives.
- Need for Comprehensive Training: The findings suggest a potential need for more comprehensive training for sustainability professionals to equip them with the necessary knowledge and skills to address the full range of sustainability challenges, enclosing environmental, social, and governance aspects.

In conclusion, this research by Lespinasse-Camargo et al. (2023) proposes valuable insights into the evolving landscape of sustainability job positions within organizations. By incorporating a bibliometric assessment and a global survey, the study provides a comprehensive understanding of the current state of the field, highlighting key trends, identifying areas for improvement, and emphasizing the need for continuous learning and strategic alignment for effective sustainability practices.

Figure 8 Position's hierarchy and time in a given position



Source: Corporate sustainability professionals: The landscape of sustainability job positions

4.5. Becoming Sustainable: Case Studies

4.5.1 Enel Case Study

Enel, a leading Italian multinational energy company, fits as an exceptional example of how Italian businesses are embracing sustainability within their operations. Here's a peek at their key initiatives:

Environmental Focus

Enel has shifted towards renewables by making significant investments in renewable energy sources like solar, wind, and geothermal, aiming to decarbonize its energy production and combat climate change. In addition, the company has implemented circular economy principles in its operations, focusing on resource efficiency, waste reduction, and material reuse.

Also, Enel has actively participated in environmental rehabilitation projects, seeking to compensate for its environmental impact and contribute to biodiversity conservation. The company has invested in research and development of innovative clean technologies, such as energy storage solutions and smart grids, to promote a sustainable energy future.

Social Responsibility

Enel fosters a diverse and inclusive work environment, promoting equal opportunities for all employees regardless of background or identity.
Furthermore, the company actively engages with local communities around its operations, supporting social development initiatives and fostering positive relationships. Also, Enel prioritizes employee well-being, offering competitive benefits, promoting work-life balance, and investing in employee training and development.

Impact and Challenges

Enel's sustainability efforts have resulted in several positive outcomes:
The company has significantly reduced its carbon emissions through its shift towards renewable energy and implementation of energy efficiency measures. Enel's commitment to sustainability has enhanced its brand image and reputation, attracting environmentally conscious customers and investors.
By focusing on renewable energy and circular economy principles, Enel positions itself for long-term success in a transitioning energy landscape.
However, Enel also faces challenges:

- Balancing sustainability with affordability: Guaranteeing affordable energy access while transitioning to renewable sources can be complicated, requiring innovative solutions and collaboration with stakeholders.
- Managing legacy infrastructure: Replacing or re-designing existing infrastructure to integrate renewable energy sources can be costly and time-consuming.
- Regulatory landscape: Guiding the evolving regulatory environment related to renewable energy and sustainability can be challenging.

Overall, Enel's case study demonstrates how an Italian company is actively embracing sustainability throughout its operations. Their commitment to environmental responsibility, social impact, and long-term sustainability serves as a motivation for other businesses in Italy and beyond.

4.5.2 Enerblue Case Study

History and identity

Enerblue is an enterprise that was born sustainable in 2007, is situated in the technologically sophisticated eastern Veneto region of Italy. This firm emerged as a dynamic innovator with the aspiration to harness the abundant expertise in heating and air conditioning present within this industrial hub. The diverse skill set of the Enerblue team enables the internal handling of all operations, encompassing research, design, production, and marketing, thus emphasising the comprehensive capabilities of the company.

Enerblue's brand identity has undergone a transformation in response to its significant market success, aiming to fortify its foothold in the heating and cooling industry. A substantial factor contributing to Enerblue's growth trajectory is its commitment to devising innovative solutions that demonstrate low environmental impact, utilising natural refrigerant gases such as R290 (propane) and R744 (CO_2). This commitment is encapsulated in the company's slogan, "Inspired by nature", portraying the firm's steadfast resolve to mitigate CO_2 emissions through the provision of eco-friendly solutions. The brand's colour scheme further emphasises its identity: the colour green symbolises the company's business philosophy, which is intrinsically tied to environmental stewardship, while the colour orange conveys their specific expertise in heat pump manufacturing.

4.2.1 Company data

In 2021 Enerblue had 47 employees, and in 2023, it had 90 (excluding interns and temporary workers). So it can be seen that we are expanding rapidly. Among them, blue-collar workers accounted for 60%, and white-collar workers accounted for 40%. The average age of employees is about 35 years old. More than 50% of employees are from HVAC.

How to communicate sustainability with stakeholders?

Enerblue should communicate sustainability with stakeholders as it is an essential step to demonstrate its commitment to social and environmental responsibility.

Enerblue should put transparency at its core, which translates into sharing sustainability initiatives, goals, and progress and handling reports to stakeholders. The reports should include the company's environmental, social, and governance performance.

In addition, Enerblue should share its successful sustainability stories and updates on its sustainability journey through its website and social media platforms to communicate sustainability. They should also incorporate sustainability into their marketing plans and highlight their eco-friendly practices and sustainable certificates.

Moreover, the company should actively engage stakeholders such as employees, customers, investors, and local communities to seek their feedback and involve them in decision-making related to sustainability.

Enerblue can also collaborate with academic institutions and other organizations to stay updated on the latest sustainability trends and to leverage their sustainability resources and goals.

Furthermore, Enerblue should demonstrate a commitment to continuous improvement in sustainability performance. They should set ambitious targets, track progress, and adapt strategies based on satisfying stakeholder expectations and global sustainability trends.

By adopting a comprehensive approach to sustainability communication, companies can build trust, improve their reputation, and create value for all engaged stakeholders.

4.6. Conclusion

To conclude, this chapter discusses the importance of adopting sustainability frameworks like the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards for transparency and accountability in organizations. It also highlights the essential skills and capabilities needed for businesses to transition to sustainable models effectively.

Key points include:

- GRI Standards focus on comprehensive sustainability reporting, while SASB Standards offer industry-specific information for investors.
- Integrating GRI and SASB Standards provides a comprehensive approach to sustainability reporting.
- Essential skills for sustainable business models include strategic planning, stakeholder engagement, innovation, effective communication, and continuous learning.
- Adaptability and staying up-to-date with sustainability trends are crucial for long-term success.

Also, Lespinasse-Camargo et al. (2023) conducted research on corporate sustainability roles using a mixed-method approach. Their analysis of academic publications and a global survey indicated that sustainability professionals mainly focus on the environmental dimension, highlighting the need for a more balanced approach. Strategic alignment with corporate goals is essential, and there's a call for comprehensive training to address sustainability challenges effectively. The study underscores the importance of continuous learning and alignment for successful sustainability practices within organizations.
In summary, the passage emphasizes the importance of incorporating sustainability frameworks and developing relevant skills to navigate the transition towards sustainable business practices effectively.

References

5.1. Scientific articles and books

US SIF Foundation. (2022). 2022 Report on US Sustainable Investing Trends.

Kebreab, M. (2013). The three pillars of sustainability. In Colorado State University Sustainable Solutions for Animal Agriculture Ag next.

McElhaney, K. (2008). The Corporate Social Responsibility Landscape (p. 22).

Mishra, Ram, Singh, Punam, & Sarkar, Shulagna. (2013). Corporate Social Responsibility: Interventions of Oil and Gas Central Public Sector Enterprises in India. International Journal of Business Ethics in Developing Economies, 2, 1-9.

Fraccaro, E. (2023, October 27). Italian companies and sustainability: Where do we stand?

Isil, O., & Hernke, M. T. (2017). The triple bottom line: A critical review from a transdisciplinary perspective. Business Strategy and the Environment, 26(8), 1235–1251. https://doi.org/10.1002/bse.1982

Florian Klein, Gordon Grundmann, and Frederik Josten, Sustainability in business: Staying ahead of the curve, Deloitte Insights, September 14, 2022.

WCED, 1987. Our Common Future, first ed. Oxford University Press, Oxford.

Székely et al., European management journal Vol. 23, No. 6, 2005, p. 635

Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. Business strategy and the environment, 11(2), 130-141

Gao, J., & Bansal, P. (2013). Instrumental and integrative logics in business sustainability. Journal of Business Ethics, 112(2), 241-255.

Bansal, P., & DesJardine, M. R. (2014). Business sustainability: It is about time. Strategic Organization, 12(1), 70-78

Eccles, R. G., & Serafeim, G. (2013). The performance frontier: Innovating for a sustainable strategy. Harvard Business Review, 91(5), 50-60

Sancak. (2023). Change management in sustainability transformation: A model for business organizations. Journal of Environmental Management.

Perkins, K., & Serafeim, G. (2015). The Corporate Responsibility Agenda. Harvard Business Review, 93(3), 78-83.

Kotter, J. P. (2007). Leading change: Why transformation efforts fail. Harvard Business Review, 85(1), 96-103

Stouten, J., Rousseau, D.M., Cremer, D.D., 2018. Successful organizational change: integrating the management practice and scholarly literatures. Acad. Manag. Ann.752–788. https://doi.org/10.5465/annals.2016.0095.

Schlaile, M.P., Urmetzer, S., Blok, V., Andersen, A.D., Timmermans, J., Mueller, M., Pyka, A., 2017. Innovation systems for transformations towards sustainability? Taking the normative dimension seriously. Sustainability 1–20. https://doi.org/10.3390/su9122253.

Schoenmaker, D., Schramade, W., 2019. Principles of Sustainable Finance. Oxford University Press, New York.

Engie Impact., 2021. Sustainability transformation. January 18 Retrieved from Engie Impact: https://www.engieimpact.com/sustainability-transformation.

Berg, F., K¨ olbel, J.F., Rigobon, R., 2022. Aggregate confusion: the divergence of ESG ratings. Rev. Finance 1–30. https://doi.org/10.1093/rof/rfac033.

Dyllick, T., Muff, K., 2015. Clarifying the Meaning of Sustainable Business: Introducing a Typology from Business-As-Usual to True Business Sustainability. Organization & Environment, pp. 1–19. https://doi.org/10.1177/1086026615575176.

Linnenluecke, M. K., & Griffiths, A. (2010). Corporate sustainability and organizational culture. Journal of World Business, 45(4), 357-366.

Matos, S., & Clegg, S. R. (2015). Transforming routines: Dutch newspapers and the disruptive impact of the iPad. Organization Studies, 36(9), 1217-1239.

Pagell, M., & Shevchenko, A. (2014). Why research in sustainable supply chain management should have no future. Journal of Supply Chain Management, 50(1), 44-55.

Ehrenfeld, J. F. (2000). Paradigm shift or normal science? The American Behavioural Scientist, 44, 229–244. https://doi.org/10.1177/ 00027640021956189

Muñoz, P., & Cohen, B. (2018). Sustainable entrepreneurship research: Taking stock and looking ahead. Business Strategy and the Environment, 27, 300–322. https://doi.org/10.1002/bse.2000

Elkington, J. (1998). Partnerships from cannibals with forks: The triple bottom line of 21st-century business. Environmental Quality Management 8(1), 37–51. https://doi.org/10.1002/tqem.3310080106

Busse, C. (2016). Doing well by doing good? The self-interest of buying firms and sustainable supply chain management. Journal of Supply Chain Management, 52, 28–47. https://doi.org/10.1111/jscm. 12096

Markman, G., Russo, M., Lumpkin, G., Jennings, P., & Mair, J. (2016). Entrepreneurship as a platform for pursuing multiple goals: A special issue on sustainability, ethics, and entrepreneurship. Journal of Management Studies, 53, 673–694. https://doi.org/10.1111/joms. 12214

Montabon, F., Pagell, M., & Wu, Z. (2016). Making sustainability sustainable. Journal of Supply Chain Management, 52(2), 11–27. https://doi. org/10.1111/jscm.12103

Shepherd, D. A. (2015). Party on! A call for entrepreneurship research that is more interactive, activity based, cognitively hot, compassionate, and prosocial (editorial). Journal of Business Venturing, 30, 489–507. https://doi.org/10.1016/j.jbusvent.2015.02.001

Beske, P., Land, A., & Seuring, S. (2014). Sustainable supply chain management practices and dynamic capabilities in the food industry: A critical analysis of the literature. International Journal of Production Economics, 152, 131–143. https://doi.org/10.1016/j.ijpe.2013.12.026

Kearins, K., Collins, E., & Tregidga, H. (2010). Beyond corporate environmental management to a consideration of nature in visionary small enterprise. Business & Society, 49, 512–547. https://doi.org/10.1177/ 0007650310368988

Akemu, O., Whiteman, G., & Kennedy, S. (2016). Social enterprise emergence from social movement activism: The Fairphone case. Journal of Management Studies, 53, 846–877. https://doi.org/10.1111/joms. 12208

Sarasvathy, S. D. (2001). Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. Academy of Management Review., 26, 243–263. https://doi.org/10.5465/ amr.2001.4378020

The Economist. (2020). https://www.economist.com/business/2020/10/ 29/climate-conscious-venture-capitalists-are-back. Accessed on 25/02/2021.

York, J. G., & Venkataraman, S. (2010). The entrepreneur-environment nexus: Uncertainty, innovation, and allocation. Journal of Business Venturing, 25, 449–463. https://doi.org/10.1016/j.jbusvent.2009.07.007

Arend, R. J., & Wisner, J. D. (2005). Small business and supply chain management: Is there a fit. Journal of Business Venturing, 20, 403–436. https://doi.org/10.1016/j.jbusvent.2003.11.003

Welsh, J. A., & White, J. F. (1981). A small business is not a little big business. Harvard Business Review, 59, 18–27.

Ellegaard, C. (2006). Small company purchasing: A research agenda. Journal of Purchasing and Supply Management, 12, 272–283. https://doi.org/ 10.1016/j.pursup.2006.08.004

orga, F., Citterio, A., Noci, G., & Pizzurno, E. (2009). Sustainability report in small enterprises: Case studies in Italian furniture companies. Business Strategy and the Environment, 18(3), 162–176.

Abeysekera, I., & Guthrie, J. (2019). The alignment and complementarity of GRI and SASB standards: A study of Fortune 500 companies. Sustainability Accounting, Management and Policy Journal, 10(2), 313-334.

Global Reporting Initiative. (2023). Standards. Retrieved from https://www.globalreporting.org/standards/

Sustainability Accounting Standards Board. (2023). About SASB. Retrieved from https://www.sasb.org/about/

WBCSD. (2020). Unleashing the potential of circular economy solutions for business and society. World Business Council for Sustainable Development.

Global Reporting Initiative & Sustainability Accounting Standards Board. (2021, April). A practical guide to sustainability reporting using GRI and SASB standards. https://www.globalreporting.org/media/mlkjpn1i/gri-sasb-joint-publication-april-2021.pdf

Bakker, C. (2014). Circular economy: A potency model for redefining progress. UNEP Environment Programme. https://www.un.org/sites/un2.un.org/files/circular_economy_14_march.pdf

Bocken, A. M., De Pauw, I., Bakker, C., & Van den Abeele, P. (2016). Product life extension – a key element of the circular economy. Technological Forecasting and Social Change, 111, 174-184.https://onlinelibrary.wiley.com/doi/full/10.1111/jiec.13378

Charter, M. (2009). Sustainable futures. Routledge.

Dyllick, T., & Hockerts, K. (2002). The role of business in the world. Corporate Governance, 10(1), 34-55. https://journal.islamicateinstitute.co.id/index.php/joes/article/download/656/84

Elkington, P. (2004). Cannibals with forks: The triple bottom line of 21st century business. New Society Publishers.

Freeman, R. E. (2010). Stakeholder theory: A stakeholder theory of the modern corporation. Cambridge University Press.

Global Reporting Initiative. (2023). Standards. Retrieved from https://www.globalreporting.org/standards/

Lüdeke-Freund, F., Kopton, S. E., & Wehrmeyer, W. (2019). Multi-stakeholder collaboration for a circular economy: A review of case studies and a research agenda. Journal of Cleaner Production, 208, 885-897. https://www.sciencedirect.com/science/article/pii/S266737892300041X

Stubbs, W., & Cocklin, C. (2008). Engaging with the sustainability challenge: An exploration of management education's contribution. The Journal of Management Education, 32(4), 438-456. https://group.sagepub.com/sustainability

Sustainability Accounting Standards Board. (2023). About SASB. Retrieved from https://www.sasb.org/about/

WBCSD. (2020). Unleashing the potential of circular economy solutions for business and society. World Business Council for Sustainable Development. https://www.wbcsd.org/

Yuan, Z., Bi, J., & Blanco, E. (2021). Circular economy in the construction industry: A review of research topics and future directions. Journal of Cleaner Production, 297, 126582. https://www.sciencedirect.com/science/article/pii/S1364032120302392

Lespinasse-Camargo, C., Mourão, D. S., & Hahn, T. (2023). Corporate sustainability professionals: The landscape of sustainability job positions. *Business Ethics: A European Review*, 32(1), 1-22