

Sustainability, Accountability and Ethics

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Class 7

240

The UN Sustainable Development Goals

17 Goals for People, for Planet

World leaders came together in 2015 and made a historic promise to secure the rights and well-being of everyone on a healthy, thriving planet when they adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).

The Agenda remains the world's roadmap for ending poverty, protecting the planet and tackling inequalities. The 17 SDGs, the cornerstone of the Agenda, offer the most practical and effective pathway to tackle the causes of violent conflict, human rights abuses, climate change and environmental degradation and aim to ensure that no one will be left behind.

The SDGs reflect an understanding that sustainable development everywhere must integrate economic growth, social well-being and environmental protection.



241

ESG Indicators

‘Indicators of sustainable development need to be developed to provide solid bases for decision-making at all levels and to contribute to a self-regulating sustainability of integrated environment and development systems’
(UN, Agenda 21, Chapter 40.4)

The UN Sustainable Development Goals

1. To which SDG do you identify the most?
2. What can you do as na individual to comply with that SDG?
3. What can you do in your organization to comply with SDG?



Research

- The packaging material and the claim both had a significant influence on young consumers' sustainability perceptions, and these perceptions extended to perceptions of various product attributes (e.g., healthiness, quality).
- When all products cost the same, participants were more likely to choose a glass bottle (i.e., 81%) than a plastic bottle, and a bottle with the recycled content claim (i.e., 79%) than a bottle without this claim.
- However, these preferences dropped significantly when a price premium was attached to these packaging variations.

Hallez, L., Spruyt, B., Boen, F. and Smits, T. (2024), "How consumers value sustainable packaging: an experimental test combining packaging material, claim and price", *British Food Journal*, Vol. 126 No. 9, pp. 3566–3583, doi: 10.1108/BFJ-01-2024-0069.



244

Incorporate SDGs into Strategy

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BRITISH ACADEMY
OF MANAGEMENT

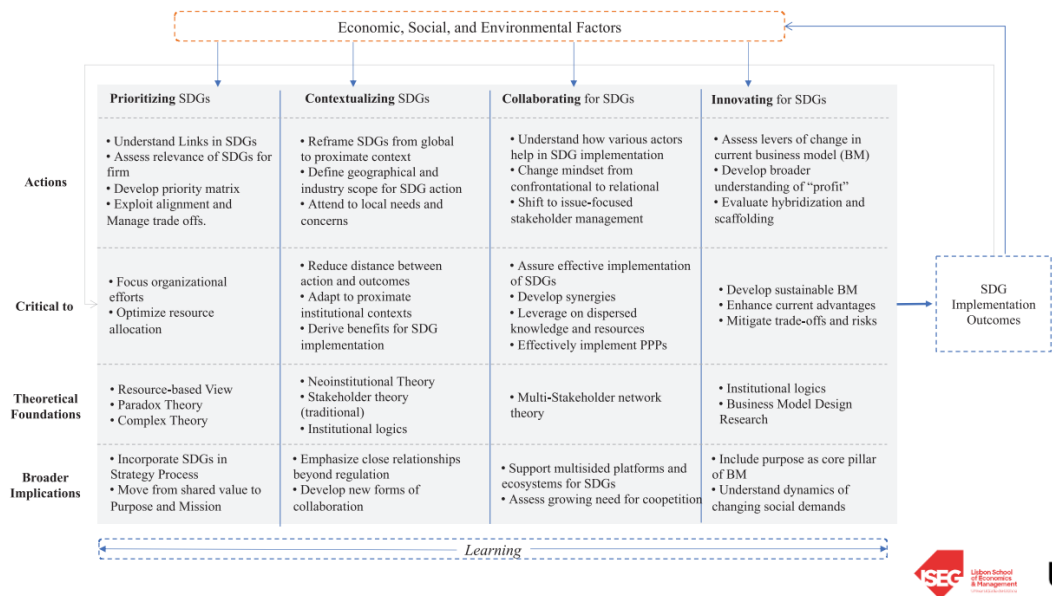
How can research contribute to the implementation of sustainable development goals? An interpretive review of SDG literature in management

Pascual Berrone¹ | Horacio E. Rousseau² | J.E. Ricart³ | Esther Brito⁴ | Andrea Giuliadori⁵



245

Incorporate SDGs into Strategy



246

Incorporate SDGs into Strategy

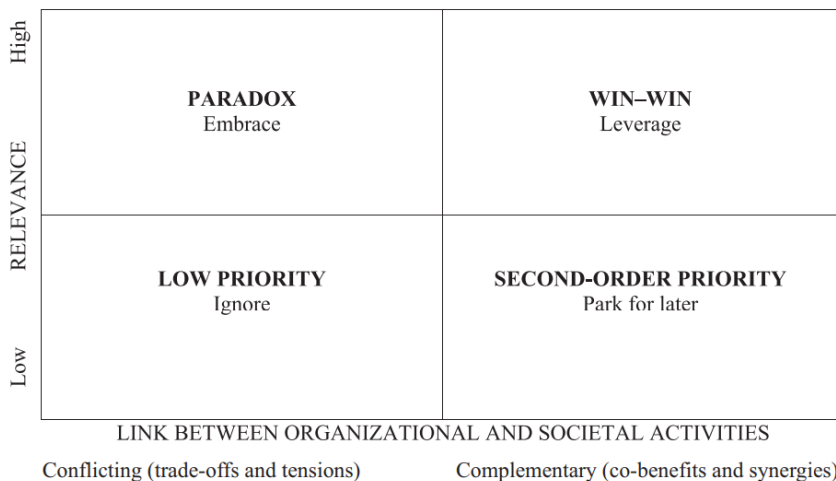


FIGURE 3 Prioritization matrix for United Nations sustainable development goals.

247

Incorporate SDGs into Strategy



Organizations can integrate the UN's SDGs into their strategies by adopting a hands-on approach and using scientifically informed insights to strengthen implementation protocols.



Effective guidelines should consider trade-offs and establish conditions for collaboration, especially in communities that may distrust firms' efforts.



The process involves four stages: formulating strategies that include SDG issues, understanding proximate contexts, acknowledging the need for collective efforts, and redesigning business models to account for social impacts.



This model is not comprehensive and requires additional steps like measuring SDG achievement and addressing micro-level decision points.



Adopting SDGs is a transformational process that entails risks, but inaction can lead to reputational costs and missed opportunities for genuine societal impact.



248

SDG Compass



Figure 3 – The five steps of the SDG compass

Source: SDGcompass.org



249

SDG Compass

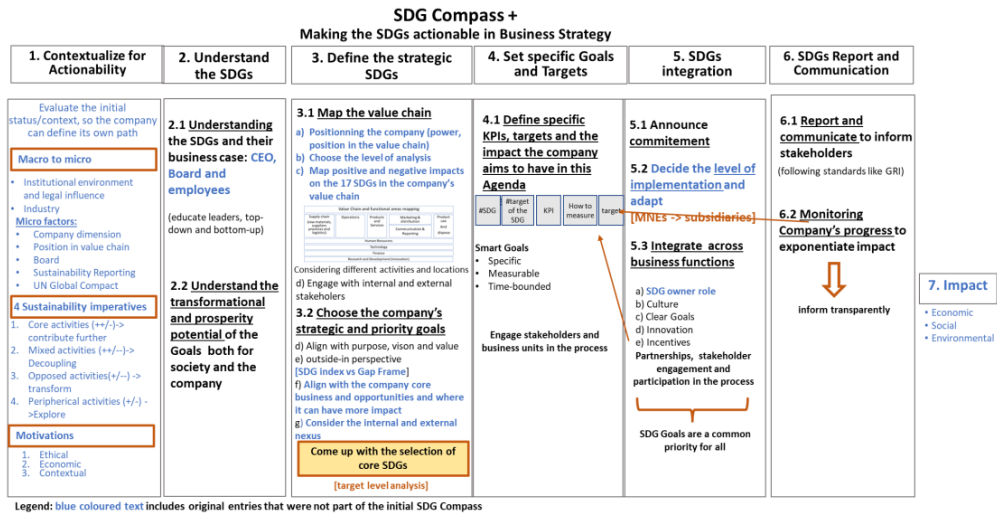


Figure 4 – SDG Compass + integrated framework: Making the SDGs actionable in Business Strategy
Pires de Almeida, A.F., van Tulder, R., & Rodrigues, S. (2023). 'Walking the Talk: Making the SDGs Core Business – An Integrated Framework'. In: Van Tulder, R., Giuliani, E., & Álvarez, I. (Eds.), International Business and Sustainable Development Goals. Progress in International Business Research, Vol. 17 (pp. 49–82). Bingley: Emerald Publishing. <https://doi.org/10.1108/S1745-886220230000017004>



Examples

ISEG

Sustainable Campus

The campus is the space where part of our students' education process takes place. For this reason, it is essential that it is an example of sustainable practices, both in behavioural, technological and logistical terms. ISEG's commitment is to make our campus carbon neutral and an example of green innovation by 2050.



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252

ISEG

Energy Efficiency

Energy efficiency on the ISEG campus refers to the rational use of energy in all areas of the campus and the adoption of measures such as the implementation of new technological solutions for monitoring consumption, more energy-efficient appliances, the use of more efficient lighting systems and changing the behaviour of members of the community in relation to energy consumption.

Energy efficiency significantly reduces energy consumption and greenhouse gas emissions, thus contributing to environmental preservation and energy sustainability.

Learn more →



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+AMBIENTAL

PRR

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NextGenerationEU

Water Consumption

Water consumption on the ISEG campus is being optimised to promote rational use in all areas. To this end, new technological solutions are being implemented to monitor consumption, using more efficient appliances in terms of water use and encouraging a change in the behaviour of members of the community in relation to water consumption.

Water efficiency significantly reduces water consumption and associated waste, thus contributing to the preservation of water resources and environmental sustainability.

Learn more →



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253

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Sustainable Purchasing

Since 2022 ISEG adopted its Sustainable Purchasing Policy, it allows the reduction of the environmental impact of our procurement activities for goods and services.

By choosing products and services that are produced more sustainably, with recycled or renewable materials, or that have less environmental impact during their useful life we are contributing to the environment and meeting sustainability targets. We take a more conscious approach to procurement so that we can inspire other organisations to do the same and contribute to necessary changes.



Reduction of CO2 Emissions

ISEG constantly seeks to achieve the emission targets set nationally and internationally, and also the objectives of ECO.AP 2030. The first step to start this transition was to calculate its Greenhouse Gas (GHG) emissions and draw up an action plan to achieve carbon neutrality by 2030.

For this purpose, ISEG's organisational carbon footprint was accounted for the base year 2019, and the subsequent years 2020 and 2021. The Action Plan encompasses a set of measures for the reduction of scope 1, 2 and 3 emissions and a compensation plan for the remaining emissions, and that will enable the achievement of this goal.



254

ISEG



ISO 14001 certification

ISEG obtains ISO 14001 - Environmental Management certification and maintains Quality Management System certification.

[Find out more →](#)

Recycling on Campus

ISEG is committed to reducing its production of undifferentiated waste and improving its collection and separation of recyclable waste, contributing to the circular economy within the campus.



Awareness Campaigns

ISEG regularly promotes awareness campaigns among members of the community, with the aim of reducing waste generation and encouraging the practice of separating materials correctly.



Solid Waste

The treatment of solid waste on the ISEG campus is carried out in a responsible and systemic manner. The campus has specific rubbish bins for each type of waste, such as paper, plastic and metal. All the waste is collected daily by a team that transports it to ISEG's central recycling containers.



Other waste

Paper and cardboard, light bulbs and batteries are collected and delivered for specialist collection. Waste Electrical and Electronic Equipment (WEEE) is stored securely and sent for recycling.



255

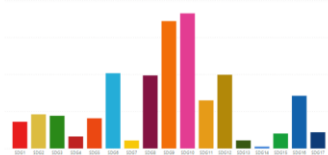
ISEG



ISEG tem contribuído mais para os ODS:
6, 8, 9, 10 e 12

SDG Contributions

Research and Education Contributions by SDG



Devido à agenda Europeia do Green Deal seria interessante que o ISEG pudesse aumentar os seus contributos nos ODS:

- 13 Ação Climática
- 15 Vida na Terra

Outros temas também relevantes na agenda internacional associada com a gestão:

- 4 Educação de qualidade
- 5 Igualdade de género

ODS Prioritários para o ISEG são:
5, 6, 8, 9, 10, 12, 13, 15



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256

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Your master's final work could be worth **1500€**

ESG'25 Award

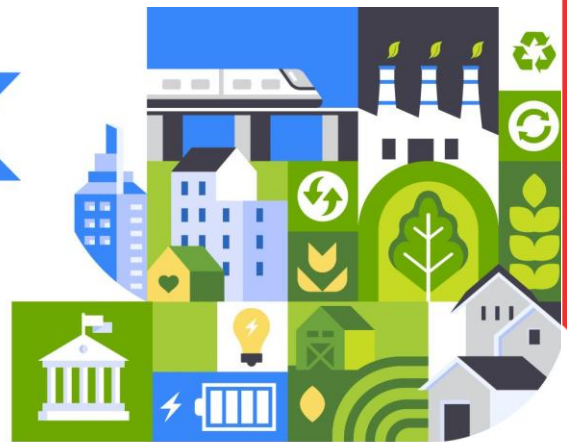
An award for the *best master's final work (TFM)*
written in *Portuguese and English*

Topic

How to support companies in implementing sustainable ESG management that maximises their resilience and promotes a more sustainable society.

Applications until 19th September 2025

Check the regulations.



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NTT DATA



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257

Tesla

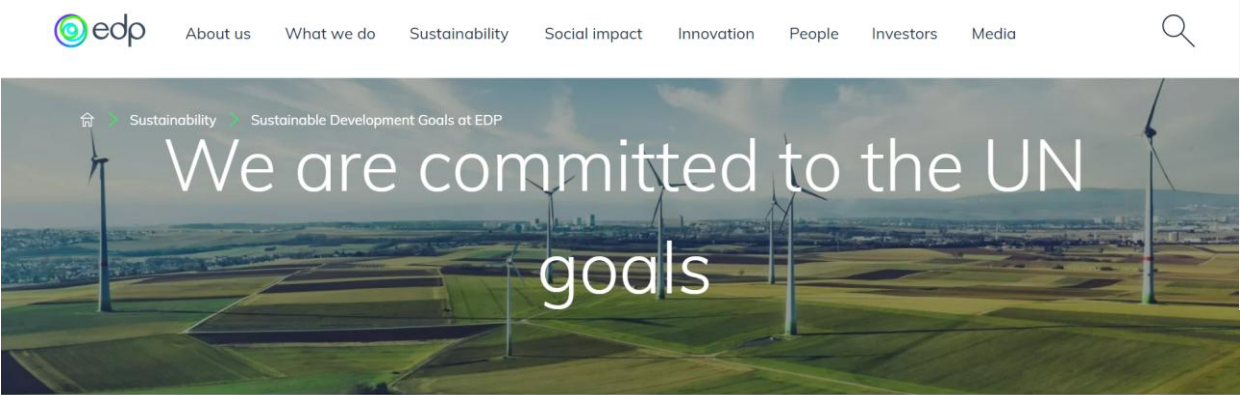
United Nations SDG Alignment Goals

UN SDGs	Focus Areas
No Poverty	Responsible Sourcing
Zero Hunger	Child Labor & Forced Labor
Good Health and Well-Being	Waste Management & Recycling, Circularity Product Quality & Safety Responsible Sourcing
Quality Education	External Stakeholder Engagement
Gender Equality	Respectful Workplace & Equal Opportunities
Clean Water and Sanitation	Water Use & Management
Affordable and Clean Energy	Inclusive Energy Transition
Decent Work and Economic Growth	Product Quality & Safety Responsible Sourcing Grievance Mechanisms & Access to Remedy Responsible Data & Cybersecurity Responsible AI Inclusive Energy Transition Occupational Health & Safety Talent Management & Employee Wellbeing Employee Engagement External Stakeholder Engagement Respectful Workplace & Equal Opportunities
Industry, Innovation and Infrastructure	Government Relations Policy

UN SDGs	Focus Areas
Reduced Inequalities	Government Relations Policy Inclusive Energy Transition
Sustainable Cities and Communities	Talent Management and Employee Wellbeing
Responsible Consumption and Production	Waste Management & Recycling, Circularity Air Quality & Reducing Toxic Emissions Product Quality & Safety Responsible Data & Cybersecurity Responsible AI Occupational Health & Safety
Climate Action	Biodiversity Climate Change & Risk Management Renewable Energy & Energy Efficiency Inclusive Energy Transition
Life Below Water	Biodiversity Waste Management & Recycling, Circularity
Life on Land	Waste Management & Recycling, Circularity
Peace, Justice and Strong Institutions	Business Ethics & Anti-Corruption Government Relations Policy Grievance Mechanisms & Access to Remedy Child Labor & Forced Labor Respectful Workplace & Equal Opportunities
Partnerships for the Goals	Government Relations Policy

258

EDP



<https://www.edp.com/en/sustainability/sdg>

259

EDP

ESG Performance at a glance

INDICATOR		Unit	2023	2022	Δ %	Target 2026	Target 2030
 Environment	Renewables generation	%	87%	74%	+13p.p.	93%	100% •
	Capex aligned with EU taxonomy	%	96%	96%	+0p.p.	>98%	100%
	Scope 1 & 2 Emissions intensity	gCO ₂ /kWh	81	160	-50%	36	8 •
	Total recovered waste materials	%	96%	95%	+2p.p.	90%	>90% •
 Social	Female overall	%	29%	27%	+1p.p.	31%	35%
	Global investment in communities ¹	€ m	34	32	8%	~€200	>€300
	Accident Frequency Rate ²	Fr	2.07	1.84	13%	1.42	<1
 Governance	Female on Leadership	%	29%	28%	+1p.p.	31%	35%
	ESG & equity linked compensation for Top Management ³		√	√		√	√
	Cybersecurity	bitsight rating	810	810	0%	Keep advanced ⁴	
	Top quartile in ESG rating Performance ⁵		√	√		√	√



260

Unilever

Our strategy & Growth Action Plan

We are stepping up our execution to deliver improved performance – focusing on faster growth, productivity and simplicity, and performance culture.

Our purpose

Making sustainable living commonplace

Our financial ambition

Consistent and competitive growth driving top third Total Shareholder Return^(a)

Where to play

Build a consistently high growth portfolio

Win with our brands, powered by unmissable superiority

Accelerate growth in key markets and categories^(b)

Lead in key channels



261

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262

Exercise

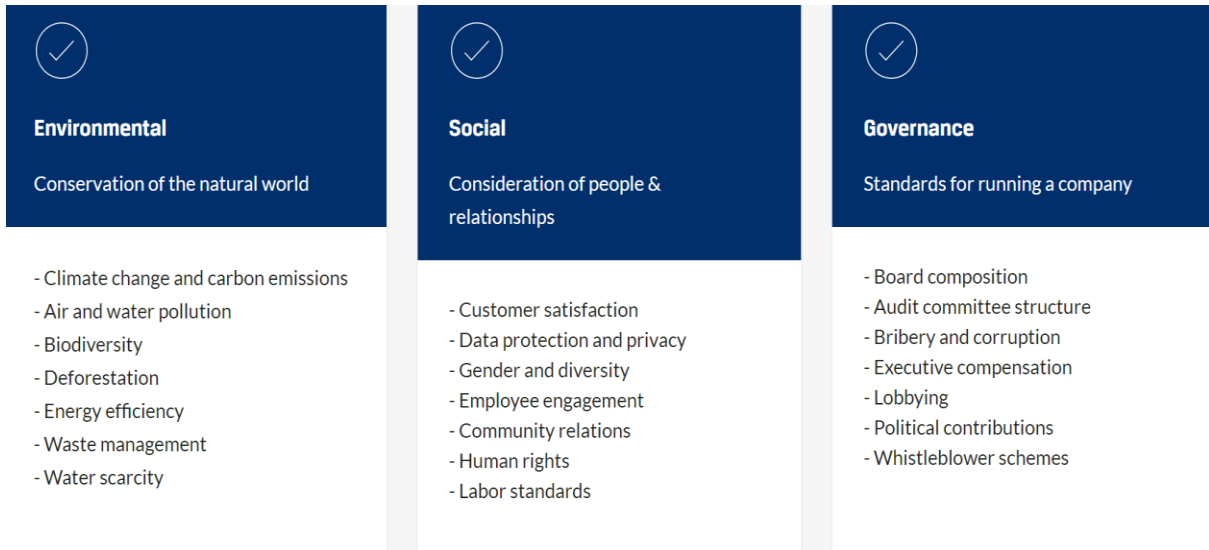
1. ISEG



263



ESG metrics



ESG metrics

- 1 ESG factors are often interlinked
- 2 ESG factors can often be measured, but it can be difficult to assign them a monetary value
- 3 ESG investing grew out of investment philosophies such as Socially Responsible Investing (SRI) but there are differences – exclusionary filters versus inclusive criteria

Contrasting and comparing sustainable development indicator metrics. Available from:

https://www.researchgate.net/publication/223804576_Contrasting_and_comparing_sustainable_development_indicator_metrics [accessed Sep 09 2020].

Sustainable Balanced ScoreCard

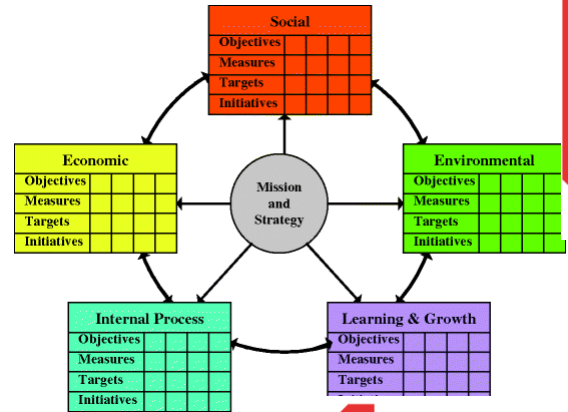
Some sustainable KPIs:

Environmental perspective:

- Resources consumption
- Emission to water, natural environment and air
- Reuse and recycle rate

Social perspective:

- Supplier's sustainability performance
- Job creation
- Employee's benefits
- Health and safety performance

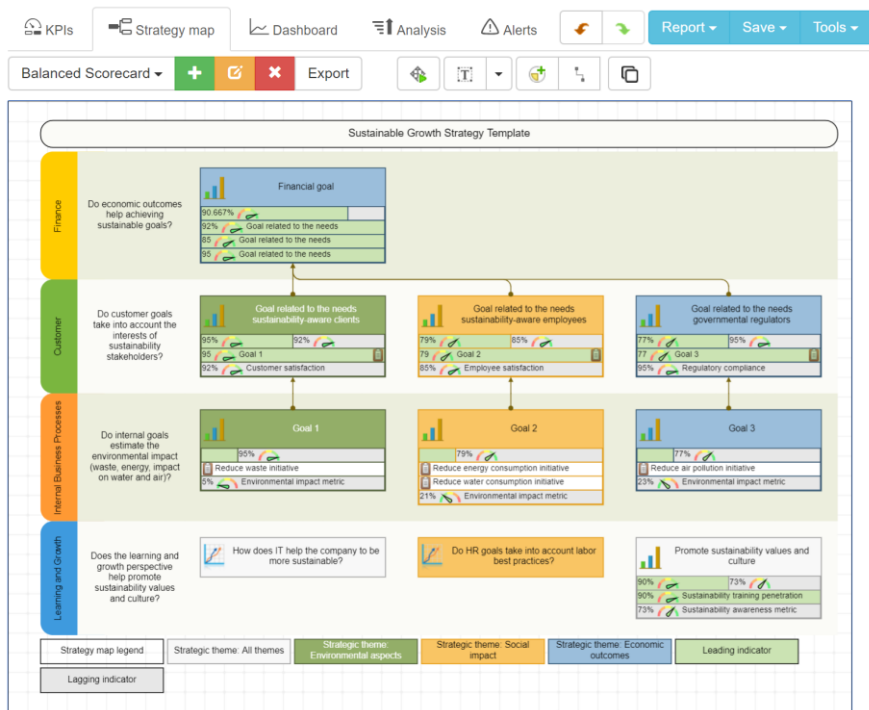


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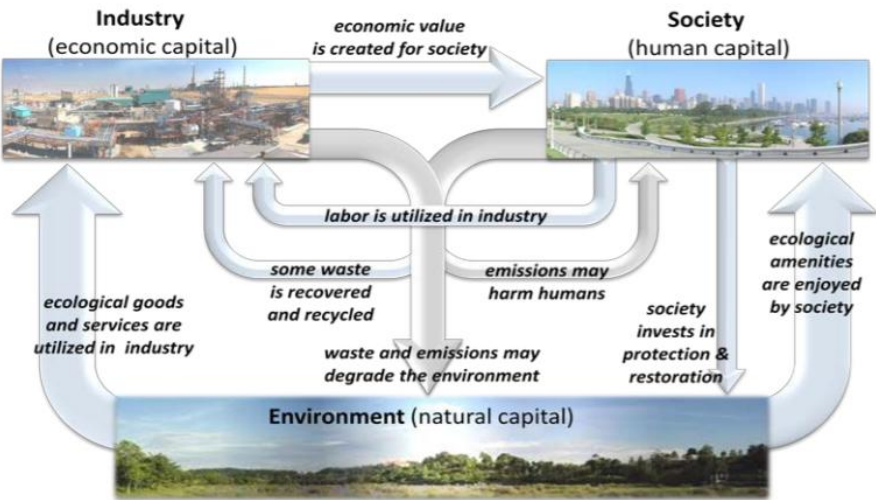
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267

Systems taxonomy for resource flow indicators



268

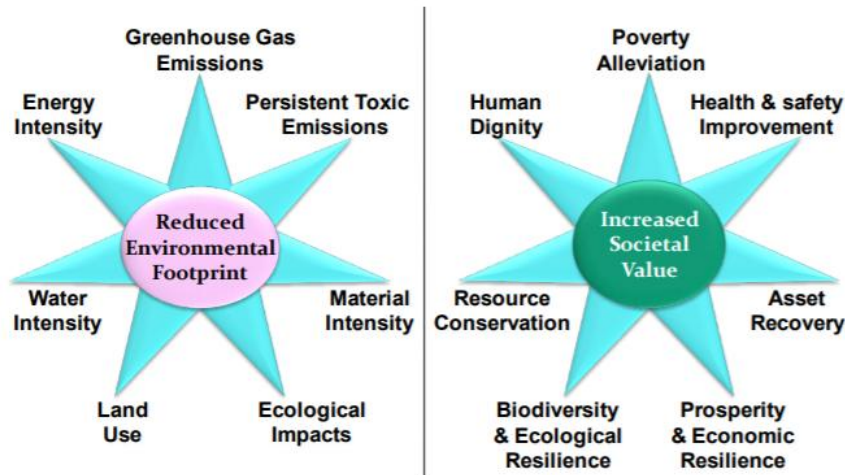
Major Categories of System-Based Indicators

Indicator Category	Indicator Types	National Scale Examples	Community Scale Examples
Resource Flow Indicators	• Volume • Intensity • Recovery • Impact • Quality	• Greenhouse gas emissions • Material flow volume • Resource depletion rate	• Greenhouse gas emissions • Material flow volume • Water treatment efficacy • Recycling rate • Land use
Value Creation Indicators	• Profitability • Economic Output • Income • Capital Investment • Human Development	• Cost (reduction) • Fuel efficiency (gain) • Energy efficiency (gain)	• Cost (reduction) • Fuel efficiency (gain) • Energy efficiency (gain) • Vehicle use (miles per capita)
Adverse Outcome Indicators	• Exposure • Risk • Incidence • Impact • Loss • Impairment	• Health impacts of air pollution • Public safety • Life cycle footprint of energy use	• Health impacts of air pollution • Public safety • Sewer overflow frequency
System Condition Indicators	• Health • Wealth • Satisfaction • Growth • Dignity • Capacity • Quality of Life	• Air quality • Water quality • Employment • Household income	• Air & water quality • Local employment • Local household income • Housing Density • Infrastructure durability • Community educational equity

EPA (2012)

269

Typical categories of sustainability indicators



EPA (2012)



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Examples of Sustainability Indicators Used Worldwide

Poverty

- Unemployment rate
- Poverty index
- Population living below poverty line

Population Stability

- Population growth rate trend
- Population density

Human Health

- Average life expectancy
- Access to safe drinking water
- Access to basic Sanitation
- Infant mortality rate

Living Conditions

- Urban population growth rate
- Floor area per capita
- Housing cost

Coastal Protection

- Population growth
- Fisheries yield
- Algae index

Agricultural Conditions

- Pesticide use rate
- Fertilizer use rate
- Arable land per capita
- Irrigation % of arable land

Ecosystem Stability

- Threatened species
- Annual rainfall

Atmospheric Impacts

- Greenhouse gas emissions
- Sulfur oxide emissions
- Nitrogen oxides emissions
- Ozone depleting emissions

Generation

- Municipal waste
- Hazardous waste
- Radioactive waste
- Land occupied by waste

Consumption

- Forest area change
- Annual energy consumption
- Mineral reserves
- Fossil fuel reserves
- Material intensity
- Groundwater reserves

Economic Growth

- GNP
- National debt/GNP
- Average income
- Capital imports
- Foreign investment

Accessibility

- Telephone lines per capita
- Information access

Sources:
United Nations, Indicators of Sustainable Development
World Bank, World Development Indicators

EPA (2012)



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ESG metrics



EFFAS THE EUROPEAN FEDERATION
OF FINANCIAL ANALYSTS SOCIETIES

	E Environmental	S Social	G Governance	V Longterm Viability
General: ESGs which apply to all industry-groups	ESG 1 Energy efficiency ESG 2 GHG emissions	ESG 3 Staff turnover ESG 4 Training & qualification ESG 5 Maturity of Workforce ESG 6 Absenteeism rate	ESG 7 Litigation risks ESG 8 Corruption	ESG 9 Revenues from new products



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Integrated reporting framework

What is Integrated Reporting?

'A concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.'

Paul Druckman, CEO of IIRC, 2013



HOW VALUE IS CREATED?

Communicate the full
range of factors that
materially affect value

The International Integrated Reporting Council (IIRC) defines an integrated report as one that 'brings together material information about an organization's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operate



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Integrated reporting framework



Concise communication on how organizational strategy and management lead to value creation:



www.youtube.com/watch?v=EFm0sKeBLh0

<https://www.youtube.com/watch?v=Hx4dvrlunpw>



274



Integrated reporting framework

Interrelates financial with non-financial reporting to provide an **integrative and comprehensive overview of the business** activities of a company, their results, and consequences for people and the environment.

While sustainability reports and nonfinancial reports can be disclosed autonomously, an integrated report represents a **single report** that includes not only social and ecological but also economic aspects. In that sense, integrated reports are comprehensive, reflecting a **holistic perspective** on business activity.



275

Integrated reporting framework

What does the organization do and what are the circumstances under which it operates?

How does the organization's governance structure support its ability to create value in the short, medium and long term?

What is the organization's business model?

What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?



276

Integrated reporting should provide:

Insight into the organization's strategy, and how it relates to the organization's ability to create value in the short, medium and long term and to its use of and effects on the capitals.

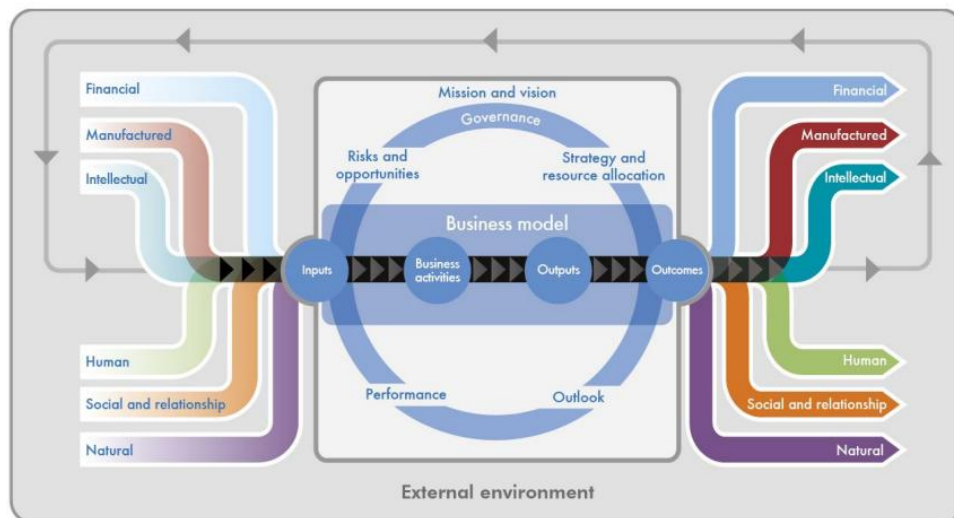
Insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.

Information about matters that substantively affect the organization's ability to create value over the short, medium and long term.



277

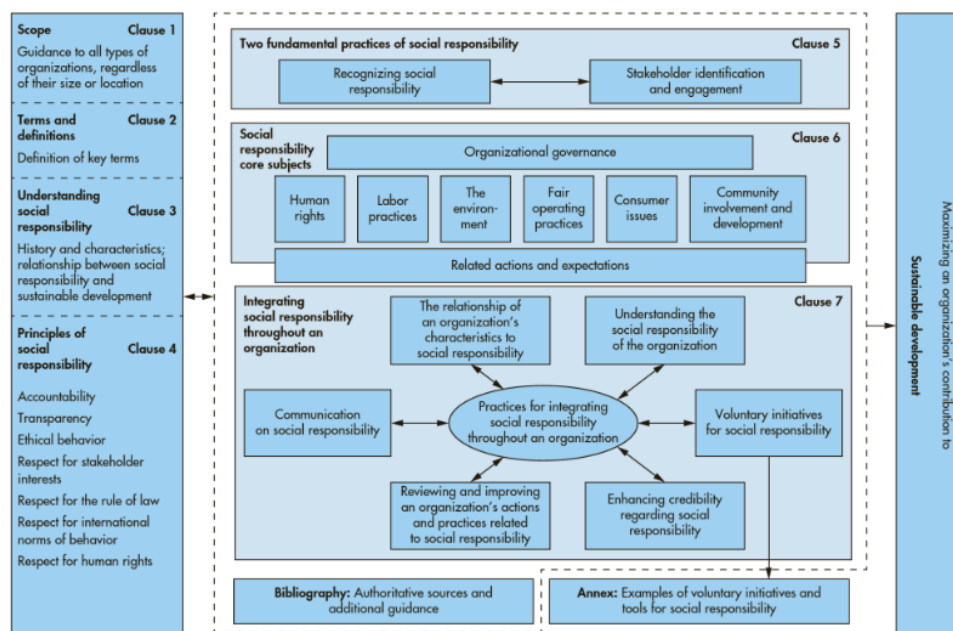
Integrated reporting should provide:



Holistic picture of dependencies between the factors that affect organization's ability to create value over time.

278

FIGURE 7.5 Schematic Overview of ISO 26000: Guidance on social responsibility³¹



Brooks, L. Dunn. P. (2018), Business & Professional Ethics for Directors, Executives & Accountants

279

What to report as non-financial information?

DISCLOSURE RECOMMENDATIONS (CONTINUED)

The four recommendations are supported by **specific disclosures** organizations should include in financial filings or other reports to provide decision-useful information to investors and others.

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

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280



281



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Master's in Accounting

Sustainability, Accountability and Ethics

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Class 8