**Sustainability Management Textbook**

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The Sustainability Management textbook will be organized into 12 chapters, divided into the four steps of the strategic management process as shown in Figure 1:

**Figure 1: Organization of Textbook Content**



Students will explore an array of subjects aligned with the United Nations Sustainable Development Goals (SDGs), which urge all sectors of societies, including business and academia, to partner together to end poverty, reduce inequality, and address the climate emergency through the achievement of 17 development goals by the year 2030 (Figure 2).

**Figure 2: Textbook Theme Aligned with the United Nations Development Goals**

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The textbook will feature 12 full-length cases aligned with the UN SDGs and the content of the book chapters. Table 1 shows a list of possible full-length case studies.

**Table 1: Possible Full-Length Cases Aligned with UN SDGs and Book Chapters**

|  |  |  |
| --- | --- | --- |
|  | **UN SDGs** | **Book Chapters** |
| Natura (Brazil), a cosmetic company and sustainability leader in South America, acquired Avon (USA) in 2020 and promised a sustainability makeover | #1 No poverty  #11 Sustainable communities  #15 Life on land | 4, 11 |
| Unilever (Netherlands/ UK) redesigned its global strategy to integrate the UN SDGs | #2 Zero hunger  #3 Good health and wellbeing  #14 Life below water | 1, 12 |
| Tony’s Chocolonely (Netherlands), a chocolate company committed to end slavery in the global cocoa supply chain, attempts to challenge the chocolate giants and change the chocolate industry from within | #1 No poverty  # 8 Economic growth  # 10 Reduce inequality | 7, 10 |
| Zara (Spain) and the detrimental environmental effect of fast fashion | #12 Responsible consumption and production  #15 Life on land | 5, 11 |
| The sharing economy: A pathway to sustainability? The cases of Uber, Airbnb, Poshmark, and Citi Bike | #9 Innovation and infrastructure  #11 Sustainable cities  #13 Climate change | 6, 8 |
| Calvert Investments (US): investment firm specialized in sustainability | #8 Economic growth  #13 Climate change  #16 Peace and justice | 2, 11, 12 |
| Danone (France): The world’s largest B Corporation | #2 Zero hunger  #3 Good health and wellbeing  #16 Partnerships | 3, 4, 5 |
| Tesla (US) and its leading role in the electric vehicle (EV) revolution | #7 Affordable and clean energy  #9 Innovation and infrastructure  #11 Sustainable cities  #13 Climate change | 6, 8 |
| Building a resilient supply chain: The role of businesses, governments, and NGOs to ensure an inclusive value chain | #3 Good health and wellbeing  #10 Reduce inequality  #16 Peace and justice  #17 Partnerships | 2, 7 |
| The rise of shareholder activism: Pushing the sustainability agenda in the boardroom | #5 Gender equality  #8 Peace and justice | 8, 11, 12 |
| AB InBev (Brazil/ US): Mitigating strategies to address water scarcity | #13 Climate change  #14 Life below water | 3, 4 |
| Addressing the urban sanitation challenge: the case of Sanergy (Kenya), a company that builds affordable and communal toilets in slums | #3 Good health and wellbeing  #6 Clean water and sanitation  #8 Economic growth | 6, 10 |
| GreenToken: Approaches to enhance transparency and ethics in the supply chain | #1 No poverty  # Economic growth  #12 Responsible consumption and production | 5, 6, 7 |

**DETAILED TABLE OF CONTENT**

**PART I: ANALYSIS**

**Ch 1: Introduction to sustainability strategy**

* Systems approach to sustainability strategy
  + Systems vs. linear approach
* Key terms in systems approach
  + Micro, meso, and macro levels
  + Interdependence
  + Feedback loop
  + Sustainability values
  + Long-term horizon
* Planetary boundaries
  + Science background
  + Safe operating space for humanity on planet Earth
* Sustainability challenges in the Anthropocene era (1950s – present)
  + Climate crisis
  + Decarbonization
  + Water scarcity
  + Species extinction
  + Global COVID-19 pandemic
  + Diversity, equity, and inclusion (DEI)
  + Automation
  + Human rights and privacy
  + Sustainable consumption
* Business trends and opportunities
  + Innovation for sustainability
  + The rise of environmental, social, and governance (ESG) investments
  + Circular economy
  + Multi-sectoral partnerships
* Business agenda for sustainability
  + United Nations Sustainable Development Goals

**Ch 2: Institutions and sustainability strategy**

* Institutional theory and sustainability strategy
  + Coercive Pressures
  + Mimetic pressures
  + Normative pressures
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* Business and institutions
  + Social and environmental government regulations
  + Social and environmental economic policies
  + Industry standards
  + Sustainability certifications
  + Internal environmental agencies
  + Professional coalitions
  + Sustainability rating agencies
  + Sustainability rankings
  + Watchdog organizations: Press, activists, and social media
* Reasons why businesses comply with institutional pressures
* Strategic responses to institutional pressures
  + Manipulation
  + Defiance
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  + Acquiescence
  + Beyond compliance
* Greenwashing and beyond

**Ch 3: Stakeholders and sustainability strategy**

* Stakeholder theory and sustainability strategy
  + Stakeholder theory
  + Classification of stakeholders
* Types of stakeholders
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  + Regulators
  + Business partners
  + Customers
  + Suppliers
  + Employees
  + Local communities
* Assessment of stakeholders’ influence
  + Power
  + Legitimacy
  + Urgency
* Stakeholders’ opportunities and threats
  + Identify opportunities for cooperation with stakeholders
  + Identify potential threats brought by stakeholders
* Firm’s responsibilities to stakeholders
  + Economic
  + Legal
  + Ethical
  + Philanthropic
* Firm’s strategic responses to stakeholders’ demands
  + Deal directly or indirectly
  + Take offense or defense
  + Accommodate or negotiate
  + Manipulate or acquiesce
  + Resist or cooperate
* The case of shareholder activism
  + Institutional shareholder activists
  + Why environmental and social issues are taking center stage in investment decisions
  + The rise of socially responsible investment (SRI)

**Ch 4: Resources and capabilities for sustainability**

* A new business imperative
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* Value chains
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  + How to engage the value chain in sustainability
* Resource-based view and sustainability strategy
  + Overview of resource-based view
  + Building resources and capabilities to create shared value
* Resource dependency theory
  + Building resilience and adaptability
* Materiality risk assessment
  + Sustainability issues per industry
  + How sustainability issues evolve
  + Ensuring that significant emerging issues are not missed
  + Materiality assessment tools: SASB, GRI
  + Prioritizing issues based on operational and strategic importance for the business
* How to leverage resources and capabilities to build resilience and adaptability

**PART II: FORMULATION**

**Ch 5: Formulating business strategies: Ethics and resilience**

* Tension paradox theory
  + Understanding paradoxes
  + How can businesses pursue diverse and clashing goals simultaneously?
  + Integration and interdependence of environmental, economic, and social goals
* Integration of sustainability-related values in business sustainability strategies:
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  + Ethical relationships
  + Shared responsibility
  + Adaptation
  + Resilience
  + Inter-generation
  + Scarcity
  + Rareness
  + Emergency
  + Urgency
* How to embed sustainability in various business functions
  + Human resources
  + Accounting
  + Supply chain
  + Procurement
  + Finance
  + Marketing
  + Production
  + Research & Development
* Hybrid organizations
  + B-Corporations, Benefit corporations

**Ch 6: Innovation and entrepreneurship for sustainability**

* The circular economy
  + Circular model of production and consumption
  + Eliminate waste and pollution
  + Circulate products and materials
  + Regenerate nature
  + Circular vs. the traditional linear economy
* Going local
  + Building local supply chains to increase resilience
  + Impact of global pandemic and climate crisis disruption
* How technology helps us transition to a net-zero economy
  + The innovation breakthroughs we need in key sectors
  + What we have achieved so far
* Possibilities for radical business transformations

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  + Corporations’ influencing political outcomes
  + Corporations shaping industry self-regulations
  + Creating market incentives for sustainability
* Merger, acquisitions, and partnerships
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  + Divesting from polluting subsidiaries
* Host vs. home countries corporate strategies:
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  + Promoting human rights and emission reductions in the global supply chains (value chain analysis)

**Ch 8: Global strategies for the climate crisis**

* Climate crisis: A brief explanation of the problem
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  + Sources of GHG emissions
  + Targets to mitigate the climate crisis
* Climate scenario analysis:
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  + Products and services that have been impacted by extreme weather
  + Financial impact of carbon taxation
  + Reputational risk
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  + Inclusion of under-represented communities
* Building a climate-resilient supply chain
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  + Compensation structures
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  + Chief Sustainability Officers
  + Other executive officers responsible for implementing sustainability strategies
* Governance and sustainability impact: Evidence and best practices

**Ch 10: DEI and sustainability**

* Importance of DEI to sustainability strategy
  + Multiple perspectives from diverse views
  + Potential for stronger collaboration
  + Employees’ greater sense of respect, safety and belonging
  + Diversity drives innovation
* DEI practices in the workplace
  + Gender equality that works for women
  + Increasing participation of Black, Indigenous, and People of Color (BIPOC) within the organization, global value chains, and communities
  + Ensuring racial justice
  + New technologies on data management and surveillance aligned with international human rights standards, protection of privacy and nondiscrimination rights of workers
  + LGBTQ+ allyship: Combating discriminatory policies and practices
* Moving beyond DEI compliance: Strategic drivers to achieve global social justice
  + Implementing DEI practices at home and host countries
  + Multi-sectoral partnerships to advance DEI
  + Businesses that take a political stance

**PART IV: EVALUATION**

**Ch 11: Metrics for ESG performance**

* The origins of ESG
  + Socially responsible investing
  + Exclusion criteria
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* ESG metrics
  + Environmental
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* Importance of sustainability to investors
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  + ESG lead performers and resilience
  + Market push
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  + Who are the data providers?
  + How ESG data is collected
* The role of institutional investors
  + Institutional shareholder activism
  + Sample of significant shareholder proposals
  + Trends in shareholder proposals
* Challenges in ESG
  + Discrepancies in ESG metrics
  + Radical transparency
  + Full disclosure of environmental and social practices in the companies’ global value chains
* Relationship between ESG and financial performance

**Ch 12: Sustainability reporting frameworks and standards**

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  + Definition of sustainability reporting
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  + Investors’ demand for better environmental and social disclosure
* Best practices in sustainability reporting practices
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  + Engage internal and external stakeholders to identify sustainability concerns
  + Align sustainability purpose with the organization’s vision, mission, and planning
  + Benchmark sustainability reporting against peers (region and industry)
  + Integrated financial and sustainability reports
  + External assurance
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  + Lack of integrated frameworks
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  + U.N. Principles for Responsible Investment
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  + Carbon Disclosure Project (CDP)
  + Sustainability Accounting Standards Board (SASB)
  + Task Force of Climate-Related Financial Disclosures (TCFD)
* Impact of pandemics and post-COVID 19 agenda for sustainability