

CORPORATE SOCIAL RESPONSIBILITY

# Sustainability Report

2021



# Introduction

by **Stefano Epifani**

More than 60% of Italians say they are willing to spend more on environmentally sustainable products and more than 70% say they are willing to spend more if they are guaranteed that workers are not exploited. At the same time, for three out of every four Italians, pollution and climate emergencies are top priorities<sup>1</sup>. In short: despite this period of great difficulty for families, economic constraints, and uncertainty about the future – and perhaps because of it – concern for such a future, which is increasingly uncertain between the pandemic and wars, is high. Because this, in the end, is the sense of sustainability: concern for the future. Awareness of the fact that people can improve their current living conditions through choices made with an awareness that what has been implemented today to meet their needs does not affect the choices of tomorrow's adults<sup>2</sup>. This possibility of choice can be undermined by an excessive consumption of natural resources, by actions that jeopardize the balance of the social system, by activities that irreversibly damage the environment.

However, despite increasing attention to these issues, individual behaviours, as well as social

ones, are difficult and slow to change. Every year Earth Overshoot Day moves up, that is, the day on which humanity has consumed all the resources produced by the planet throughout the year: fifty years ago it fell in the second half of November. In 2022 – only half a century later – the day of the overexploitation of the Earth was July 28<sup>3</sup>.

On the other hand, having the perception of a problem does not necessarily imply having the skills to deal with it, the awareness to understand its dynamics or the real intention to change behaviours to manage its impacts. It is not by chance that everyone says they are attentive to sustainability, but less than one in four Italians is able to give a complete definition and correlate their ideological vision in this regard with the impacts that this vision should have on their behaviour in order to be consistent<sup>4</sup>.

This is a complex situation, therefore, which requires skills that are still not widespread and a motivation that struggles to be strong enough to break habits and induce a real change in behaviours.

And if that's true for people, it's just as true for companies. In fact, the theme of sustainability has become a priority in corporate communications with stakeholders, institutions, and customers. But talking about it consciously means getting things done: it means acting. And although everyone talks about it, not everyone acts accordingly.

For this reason, writing the introduction of the Sustainability Report for a company like Engineering is both as stimulating and as exciting as reading it was.

<sup>1</sup> Data from the Observatory of the Foundation for Digital Sustainability, 2022.

<sup>2</sup> "Sustainability is meeting the needs of the present generation without compromising the ability of future generations to achieve their own", Our Common Future, World Commission on Environment and Development, United Nations Environment Programme, 1987

<sup>3</sup> <https://www.overshootday.org>

<sup>4</sup> Data from the Observatory of the Foundation for Digital Sustainability, 2022



Because the Engineering Sustainability Report is not a mere list of principles of generic adherence to a model, or an enunciation of points of contact – largely theoretical – with the sustainable development objectives of 2030 Agenda. It is instead a re-reading in terms of sustainability of a strategic plan that touches all the actions and all the activities of the company, highlighting a fact often difficult to find in similar documents: if sustainability does not enter the business model it is not sustainability. At best it can be an extended version of social responsibility, at worst, a poorly articulated act of greenwashing. But if the criteria and principles of sustainability do not become part of the way in which the company produces value, it will be difficult to really act in the direction of sustainability.

But what does it mean to bring sustainability into your business model? And what does it mean to do this for a company that has the core elements of its business model in technological innovation and digital transformation?

It means, first of all, overcoming some stereotypes, and that means understanding two things.

Firstly, it means understanding that sustainability cannot be reduced to its environmental dimension without at the same time reconciling the economic and social dimensions. Without them, sustainability risks being reduced to a sort of ecology that – although it represents a part of it – does not express all of it. In fact, Engineering's Sustainability Report not only pays attention to the environment, but also includes projects in which attention to the environment is interpreted in terms of the need to improve, thanks to technology and digital technology, the living conditions of people, the quality of life in cities, the performance of companies. By way of example the Fibra platform that allows identifying and preventing water leaks in aqueducts, or the WQeMS (Water Quality emergency Monitoring System) project for the monitoring and safety of drinking water, or the AiBiBank project, aimed at

building a biobank that uses Artificial Intelligence algorithms to fight cancer.

Secondly, it means understanding how sustainability must go beyond corporate social responsibility<sup>5</sup>. Because if corporate social responsibility is “*the integration of the social and ecological concerns of companies in their business operations and in their interactions with stakeholders on a voluntary basis*”,<sup>6</sup>

sustainability goes beyond this dimension, while incorporating it. Sustainability goes beyond CSR by fully integrating social and ecological issues into the strategic framework of business decisions, representing not so much a “voluntary integration” on top of its own model, but a constituent element of the model itself.

In other words, if you can do corporate social responsibility without touching your business model, looking effectively at sustainability instead forces you to rethink it, integrating elements that, far from being perceived as limits or constraints, must become real levers of value. A company's commitment to sustainability cannot be a burden on the business: rather, it must become an element of strength through a redefinition of their operational processes, and of their “meaning” as an organization.

This redefinition of meaning starts, of course, from ethical codes, but is only fulfilled when each business area dedicates attention to sustainability not so much as a “constraint” to be respected (in emissions, in resource management, in consumption management, in relations with workers) but as an opportunity to create value in a new and different way.

This is what Engineering does, for example, with the Rebuild project, created to facilitate the integration of refugees and migrants into the social fabric, providing them with simplified access to the services of Local Public Administration and local suppliers. And with Hermeneut, which promotes a new approach to cybersecurity, so as to make it an integral part of every Digital Transformation project.

<sup>5</sup> M. Wilson, 2013

<sup>6</sup> Green Paper ‘Promoting a European framework for corporate social responsibility’, European Commission, 2001



In this context, the value production model of the organizations who use sustainability as a tool to reorganize their business goes through a process of transformation and passes through a true sustainability enabler: digital technology. The transformation of companies towards sustainability is always a digital transformation.

Digital technology is the basis of all the changes that are necessary to build a sustainable society.

From the ecological transition to the circular economy, from the new models of cities to the path of rethinking all economic sectors in terms of sustainability – transport, industry, health, agriculture, commerce, fashion – digitalisation and digital transformation always have a dual role.

On the one hand, they enable a change in the way processes are developed, allowing their optimization.

On the other hand, they go further, developing a path that induces public and private organizations to reflect on their own meaning. In this process, sustainability and digitalisation are intrinsically linked by a profound two-way relationship of cause and effect. On the one hand, technology is a tool at the service of sustainability and on the other hand sustainability is a guiding criterion for technological development.

There would be no ecological transition without digital technology (think of smart grids or co-generation), there would be no circular economy without enabling platforms.

But looking at digital technology without using sustainability criteria would expose society to the potentially negative effects of an indiscriminate use of technology (imagine what artificial intelligence would be if algorithms to train AI were developed without consideration for elements such as gender equality, inclusiveness, attention to energy consumption: these are all themes reaffirmed by specific sustainable development objectives of the 2030 Agenda<sup>7</sup>).

This is why it is increasingly important to look at the concept of digital sustainability, i.e., the *“systemic role of digital technology with respect to sustainability, on the one hand as a support tool for the pursuit of sustainable development objectives, and on the other as an element to be addressed through sustainability criteria. In this dual role, digital sustainability therefore concerns the interactions of digitalisation and digital transformation with respect to environmental, economic and social sustainability”*<sup>8</sup>.

Digital sustainability, for a company like Engineering, which makes digitalisation, innovation and digital transformation the basis of its business, represents both a dual responsibility and an opportunity.

Indeed, Engineering cannot limit itself to looking at the role

of technology for sustainability in the management of its internal processes. Instead, it must ensure that technology and digital technology become levers of sustainability in the projects it develops for its customers and partners.

But it is not enough to implement digital solutions for these solutions to be sustainable. One must be well aware of the environmental, economic and social impacts, as well as the impacts of technologies with respect to specific use cases. Think – by way of example – of blockchain, which depending on the methods in which it is implemented and the transaction validation system chosen can represent a dramatically energy intensive tool or an enabler of sustainability models. Today, therefore, it is not enough to know the technology, one must know how to re-read it in terms of sustainability.

And while digitalisation can be as much a problem for sustainability as it is an enabling element, Engineering, by virtue of its skills, which are clearly outlined in this Sustainability Report, represents a real sustainability enabler, for its customers and its partners, thanks to digital technology.

This document not only lists the numerous certifications of the company\*, which ensure that its implementations are consistent with the sustainability objectives of 2030 Agenda, but also illustrates how Engineering supports its customers by making sustainability a key element of the technological development model, helping them to periodically identify not only technological solutions that do not produce negative effects, but solutions that have a positive impact thanks to technology. This is why Engineering’s Sustainability Report is so rich: it represents a rereading of its entire offer proposal, in which technical skills are added to those necessary to support its customers in the development of sustainability paths enabled by technology. This makes digital sustainability a real opportunity for development.

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<sup>7</sup> In the case of the examples given, reference is made to SDGs 5, 10, 7, 12.

<sup>8</sup> S. Epifani, “Digital Sustainability: why sustainability cannot do without digital transformation”, Digital Transformation Institute, 2020.