

1.5 Ethical and Sustainable Thinking

MMC Management Centre

Duration: 5.5 hours

Project Consortium

Coordinator:



Partners:



Jordan Youth Innovation Forum
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Project Details

Title: “Joint Development, Piloting, and Validation of Entrepreneurial Mindset and Key Skills Curricula and Training Materials for Third Countries”

Acronym: EMSA (Entrepreneurial Mindset and Skills for All)

Agreement Number: 101092477 – EMSA – ERASMUS-EDU-2022-CB-VET

Programme: Erasmus+ Capacity Building in the Field of Vocational Education and Training (VET)

Call for Proposals: ERASMUS-EDU-2022-CB-VET

Start Date: 01.01.2023

End Date: 31.12.2025

1.5 Sustainable and Ethical Thinking

Training Aim

The aim of this training is to equip the learners with foundational knowledge and practical skills in ethical and sustainable business practices. By delving into the CFA Institute's ethical standards, exploring the three pillars of sustainability, and examining the UN's 17 Sustainable Development Goals, the training strives to foster a commitment to professionalism, responsibility, and accountability. This session will highlight the importance of Corporate Social Responsibility (CSR) and Global Reporting Initiative (GRI) standards, using real-world business examples to illustrate effective implementation. The learners will leave with a clear understanding of how to integrate ethical and sustainable principles into their professional actions, contributing to a more ethical and sustainable global business environment.



1.5 Sustainable and Ethical Thinking

Learning Outcomes

In terms of **knowledge**:

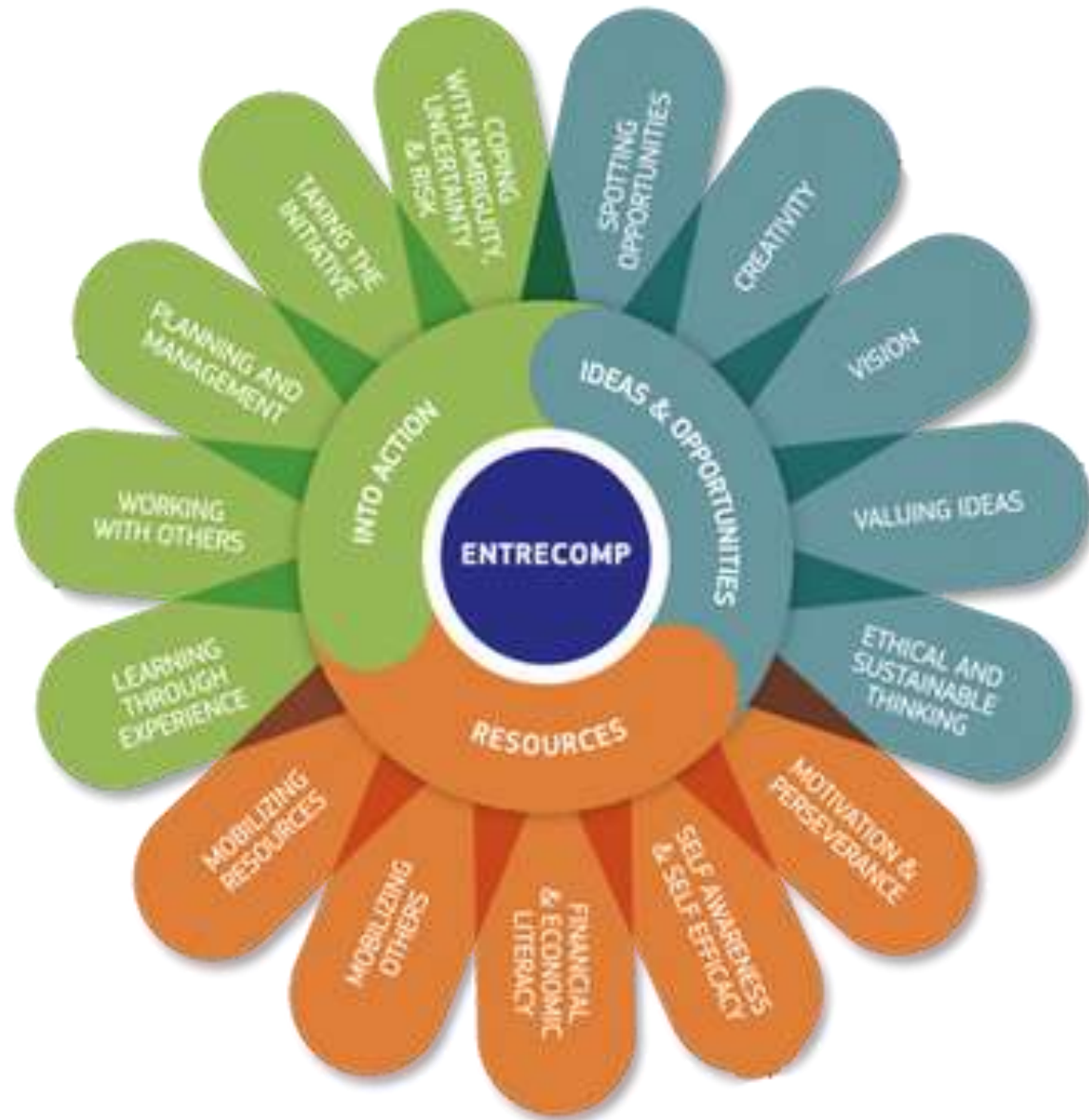
- ✓ *List various frameworks and monitoring tools that are critical for assessing long-term goals and actions in terms of ethics and sustainability.*
- ✓ *Name the principles and standards set by the CFA Institute regarding professionalism, duty to employer, and duty to client.*
- ✓ *Describe the role and impact of the United Nations' 17 Sustainable Development Goals (SDGs) in guiding global efforts towards sustainability.*

In terms of **skills**:

- ✓ *Distinguish between ethical and unethical business practices by applying principles of ethical and sustainable thinking.*
- ✓ *Use monitoring tools effectively to assess and improve the sustainability of long-term goals and actions.*

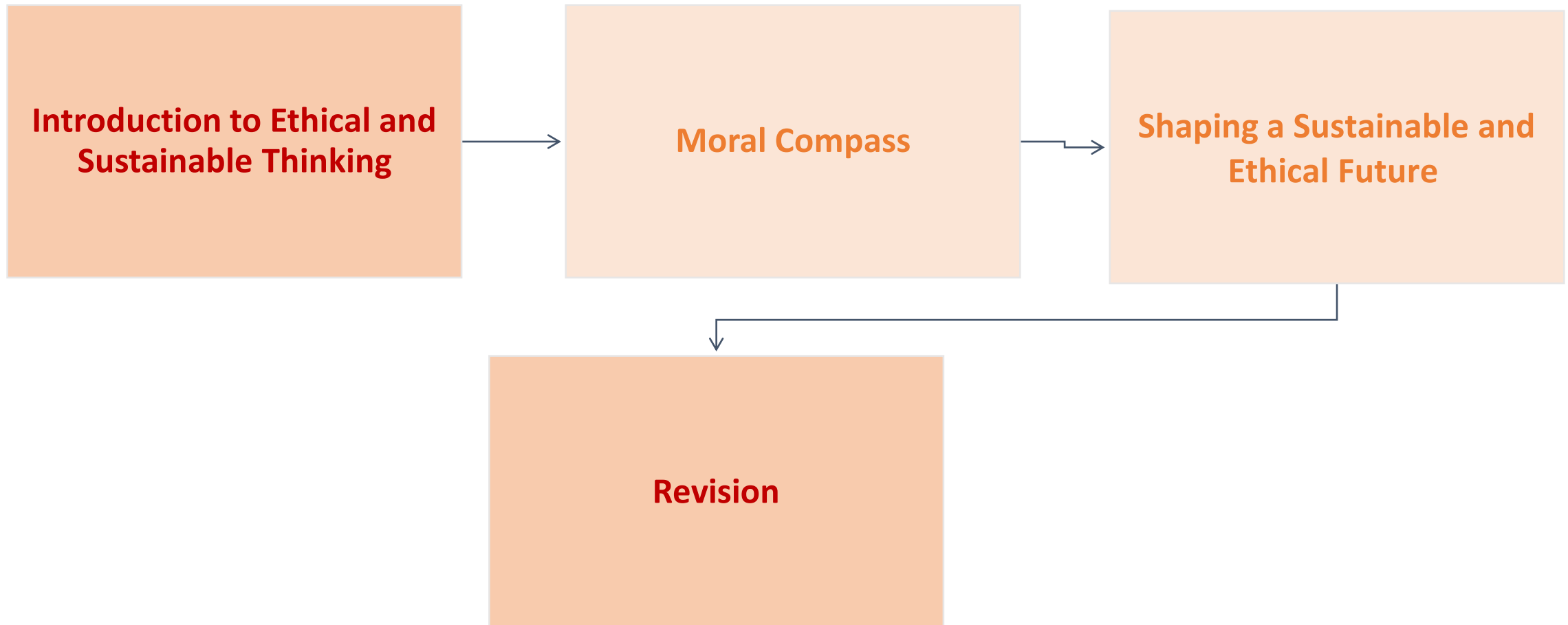
In terms of **competencies**:

- ✓ *Integrate ethical and sustainable principles in different aspects of business operations.*



What ENTRECOMP
competence
is our training
about?

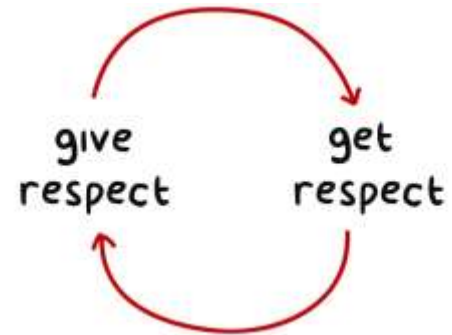
Training Route Map



Training Rules



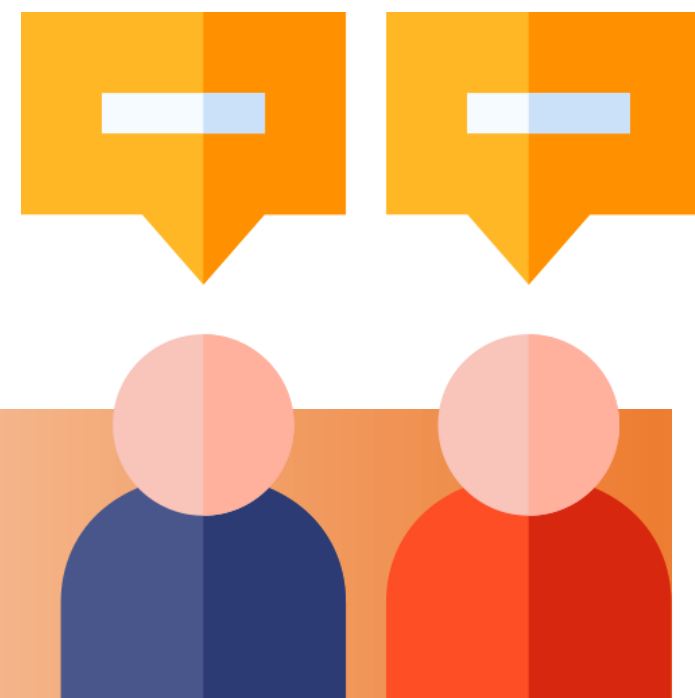
Participation



**YOUR
OPINION
MATTERS**



My Favourite Colour



Introductions

Let's get to know each other!

EntreComp: Embracing Entrepreneurial Competences

- EntreComp, the European Entrepreneurship Competence Framework, is a comprehensive framework designed to foster entrepreneurial skills and mindset.
- It encompasses a wide range of competences crucial for personal development, active citizenship, social inclusion, and employability.
- Among these competences, “***Ethical and Sustainable Thinking***” stands out as a key element for entrepreneurial success and personal growth.
- It embodies the spirit of proactivity, innovation, and the ability to turn ideas into action.
- It is more than just a skill – it's a necessity for adapting, innovating, and leading in both professional and personal domains.

Introduction to Ethical and Sustainable Thinking



AREA

IDEAS & OPPORTUNITIES

COMPETENCE

ETHICAL & SUSTAINABLE THINKING

HINT AND DESCRIPTOR

Assess the consequences and impact of ideas, opportunities and actions.

Assess the consequences of ideas that bring value and the effect of entrepreneurial action on the target community, the market, society and the environment. Reflect on how sustainable long-term social, cultural and economic goals are, and the course of action chosen. Act responsibly.

THREAD	FOUNDATION		INTERMEDIATE		ADVANCED		EXPERT	
BEHAVE ETHICALLY	I can recognise behaviours that show integrity, honesty, responsibility, courage and commitment.	I can describe in my own words the importance of integrity and ethical values.	I can apply ethical thinking to consumption and production processes.	I am driven by honesty and integrity when taking decisions.	I can argue that ideas for creating value should be supported by ethics and values relating to gender, equality, fairness, social justice and environmental sustainability.	I can take responsibility for promoting ethical behaviour in my area of influence, (for example, by promoting gender balance, highlighting inequalities and any lack of integrity).	I make it my priority to make sure that ethical behaviour is respected and promoted in my area of influence.	I take action against unethical behaviour.
THINK SUSTAINABLY	I can list examples of environmentally friendly behaviour that benefits a community.	I can recognise examples of environmentally friendly behaviour by companies that creates value for society as a whole.	I can identify practices that are not sustainable and their implications for the environment.	I can produce a clear problem statement when faced with practices that are not sustainable.	I can discuss the impact an organisation has on the environment (and vice versa).	I can discuss the relationship between society and technical developments, relating to their implications for the environment.	I can choose adequate methods for analysing environmental impact based on their advantages and disadvantages.	I can contribute to self-regulation discussions within my sector of operations.



THREAD	FOUNDATION		INTERMEDIATE		ADVANCED		EXPERT	
ASSESS IMPACT	I can find and list examples of changes caused by human action in social, cultural, environmental or economic contexts.	I can tell the difference between the impact of a value-creating activity on the target community and the broader impact on society.	I can identify the impact that taking up opportunities will have on me and my team, on the target group and on the surrounding community.	I can identify stakeholders who are affected by the change brought about by my (or my team's) value-creating activity, including stakeholders who cannot speak up (for example, future generations, climate or nature).	I can analyse the implications of my value-creating activity within the boundaries of the system I am working in.	I can define the purpose of the impact assessment, impact monitoring, and evaluation of impact.	I can choose 'measure indicators' to monitor and assess the impact of my value-creating activity.	I can carry out impact assessment, impact monitoring, and impact evaluation on my value-creating activity.
BE ACCOUNTABLE				I can tell the difference between accounting for use of resources and accounting for the impact of my value-creating activity on stakeholders and the environment.	I can tell the difference between input, output, outcomes and impact.	I can discuss a range of accountability methods for both functional and strategic accountability.	I can use the accountability methods that hold me responsible to our internal and external stakeholders.	I can design ways to be accountable to all of our stakeholders.

1. Moral Compass

Foundations of Ethical Behaviour and Ethical Theories

Business Ethics

CFA Institute's Ethical Standards of Professional Organizational Conduct

CFA Institute's Structured Framework for Ethical Decision-making

Ethics

Ethics is the discipline that is concerned with what is morally good or bad, right or wrong. This term is also used for various theories or systems that use moral values.



Medical Ethics

- Acting in the best interest of the patient.
- Respecting patients' rights to make their decisions regarding their health.

Legal Ethics

- Protecting the privacy of client information.
- Providing competent representation of clients.

Business Ethics

- Conducting business with honesty and fairness.
- Taking responsibility for actions and their impact.

Journalism Ethics

- Striving for accuracy and truth in reporting.
- Correcting errors when possible and taking responsibility for them.

*What is the first thing that come to you mind
when you hear the word “ethics”?*



Ethical Theories

- **Utilitarianism:** The morality of an action is determined by its outcome. The right action is the one that produces the greatest good for the greatest number of people.
- **Deontological Ethics:** An action is considered good based on the characteristics of the action itself, not because of the outcome. The intrinsic nature of the action determines its moral worth. Certain acts are morally obligatory, regardless of their impact on human welfare. Deontological Ethics emphasize fulfilling duties and adhering to moral rules or principles. Deontological theories are termed formalistic, because they focus on the conformity of an action to rules or laws.
- **Ethical Relativism:** Morality is relative to the norms of one's culture or society. There are no universal moral standards and what is considered right or wrong varies from person to person.

What if my ethics are contradictive with yours?

Imagine two neighbors, Alex and Jamie.

Alex observes that an apple tree coming from Jamie's house is leaning a bit too close to his house and he is afraid for his family's safety.

Jamie on the other hand, loves this apple tree. It is a tree that he planted in his yard with his mother 30 years ago, before she passed away. To Jamie, cutting down it down is not about losing a tree but about losing a part of his memory with his mother.

So, according to Alex, the tree can be potentially dangerous and Jamie thinks that Alex is exaggerating.

Discuss.

Business Ethics

- **Business Ethics** is a certain system of ethics that focuses on situations in an environment where transactions occur.
- In essence, it is applied to the question:

How should we apply certain values or principles when we conduct business?

- Business Ethics is **NOT ONLY** concerned with financially motivated crimes and misbehaviors.
- The also relate to:
 - *Misuse of the Technology (AI)*
 - *Environmental Issues*
 - *Workplace Laws*
 - *Guidelines*



Business Ethics

“Code of Ethics”

- *A set of guiding principles outlining social norms, rules, and responsibilities, or appropriate practices for the employee.*
- *Promotes the company's values.*
- *Establishes clear moral expectations.*
- *Example of items might include: Kindness, integrity, equality, etc.*

“Code of Conduct”

- *Enforceable rules companies use to communicate expectations to the employees.*
- *Could define the consequences of code violations.*
- *Examples of items might include: Dress code, attendance or absence without notice, information about employees using their phones while working, etc.*

Guidelines and Frameworks for Business Ethics to Transparently and Objectively Assess Ethicality

- **ISO 26000 - Social Responsibility:** Guidance on how businesses and organizations can operate in a socially responsible way.
- **Ethics & Compliance Officer Association (ECO):** Focuses on promoting ethical practices developing programs for legal and regulatory standards and fostering ethical culture within organizations.
- **Society for Human Resource Management Ethics (SHRM):** Professional responsibility, development, ethical leadership, fairness and justice.

There are multiple guidelines and frameworks for business ethics, those are just some of them.



CFA Institute's Ethical Standards of Professional Organizational Conduct

- Aim to promote **integrity, honesty, and transparency** in the financial industry, setting a benchmark for ethical behaviour.
- Understanding and adhering to Ethical Standards can enhance credibility, trust, and reputation for **entrepreneurs**, and foster **sustainability**.
- Incorporating those standards into **entrepreneurial practices**, businesses can *demonstrate* a commitment to **ethical decision-making**, which can *attract* investors and stakeholders.



CFA Institute

CFA Institute's Ethical Standards of Professional Organizational Conduct

1. Professionalism

2. Duty to Employer

3. Duty to Client

1. Professionalism

- **Knowledge of the Law:** Understand and comply with **ALL applicable laws**, rules, and regulations of any government and agency.
- **Independence and objectivity:** Use reasonable judgment to achieve **independence and objectivity** in professional activities. Do not accept any gift or benefit that would compromise their objectivity.
- **Misrepresentation:** **Do not** make any misrepresentation that's related to analysis, recommendation action, or any other activity.
- **Misconduct:** **Do not** engage in conduct that involves dishonesty, fraud, or any other act that reflects negatively on your reputation, integrity, or competence.

2. Duty to Employer

- **Loyalty:** You **must always** act for the benefit of your employer and **never** deprive your employer of the advantage of your skills and abilities or cause harm in any way to your employer under **any** circumstance.
- **Compensation Arrangement:** **Never** accept gifts or any benefits that compete with your employer's interest unless there is written consent from all parties involved.
- **Responsibility as a supervisor:** Make considerable effort to make sure that **everybody** under your supervision complies with the laws, rules, and regulations by reminding them regularly of the laws and regulations.

3. Duty to Clients

- **Confidentiality:** Keep information about current, former, and future clients **confidential** unless the information is about illegal activities.
- **Fairness:** Deal **fairly and objectively** with every client when providing an analysis or making a recommendation or when you make any action in general.
- **Loyalty:** You have a duty to your clients. Always act **for the benefit of your client**, and you must place your client's interest before your employer's interest.

IDENTIFY

- **ETHICAL PRINCIPLES:** Which fundamental investment profession principles are at issue?
- **DUTIES TO OTHERS:** To whom do you owe a duty?
- **IMPORTANT FACTS:** What facts or additional information do you need to make an informed decision?
- **CONFLICTS OF INTEREST:** Are there any incentives or relationships influencing your actions?



CONSIDER

- **SITUATIONAL INFLUENCES:** Are outside pressures or internal biases affecting your decision making?
- **ALTERNATIVE ACTIONS:** Have you brainstormed multiple solutions and avoided a particular preconceived path?
- **ADDITIONAL GUIDANCE:** Have you sought the objective assessment of other parties to gain additional perspective?



THE CFA INSTITUTE ETHICAL DECISION- MAKING FRAMEWORK

IDENTIFY

CONSIDER

REFLECT

ACT



This framework provides a lens for situations where the answer is not simply 'right' or 'wrong'. Neither a linear model nor checklist, it presents four key elements of ethical decision-making.

REFLECT

- **ON WHAT YOU'VE LEARNED:** Once you have taken action, take the time to review the path taken. The lessons learnt will make future ethical decision-making quicker.
- **ON STRENGTHS AND WEAKNESSES:** Regardless of positive or negative consequences, understand strengths and weaknesses for better future decisions.



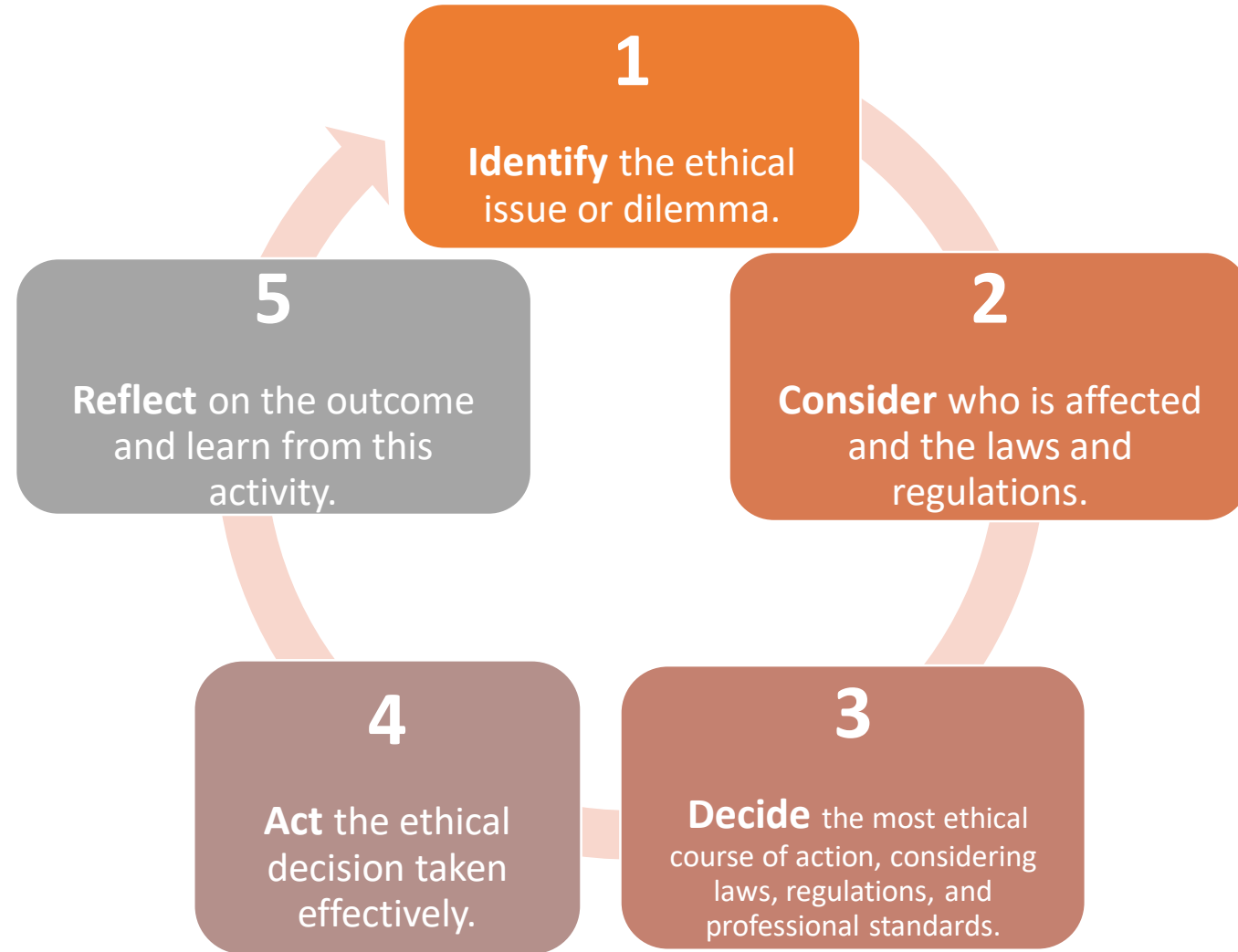
ACT

- **BY MAKING A DECISION:** The specific action varies depending on the situation. Some decisions may require multiple actions or none at all.
- **BY ELEVATING THE ISSUE TO A HIGHER AUTHORITY:** The best course of action may be to elevate your concerns to a more appropriate party.



The CFA Institute provides a structured Framework for Ethical Decision-making to help professionals navigate ethical dilemmas.

CFA Institute's Structured Framework Simplified



Why are “Ethical Practices” important within an organization?

- Ethical practices are important for the **prosperity and sustainability of an organization**. Entrepreneurs who commit to ethical standards can build trust, enhance the morale of their employees, and secure a competitive edge in the Marketplace.
- Trust and reputation
- Employee determination and lower turnover
- Competitive advantage
- Long-term success



Reasons that Cause Unethical Decisions by Employees

- **Lack of Psychological Safety:** Employees are hesitant to voice concerns due to fear.
- **Unrealistic Performance Demands:** Excessive pressure undermines ethical decision-making.
- **Perceived Unfairness:** Contradictory objectives lead to compromised ethics due to perceived unfairness.
- **Reactive Ethics Discussions:** Ethics are only addressed in response to scandals, not proactively.
- **Absence of Ethical Role Models:** People are more likely to make unethical choices reactively.
- **Micromanagement:** Low morale; the employee not understanding the impact of an action or the result.

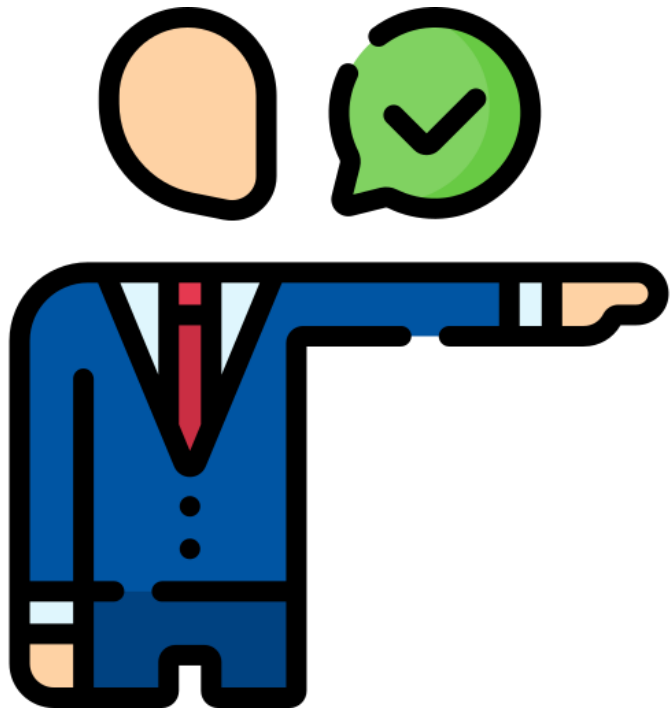


Practical Actions of an Ethical Transformative Leader (1)

- **Self-reflect:** Regularly set time for self-reflection and feedback from peers. Consider what you could have done different on a certain occasion. When you make a mistake, acknowledge it and learn from it.
- **Integrity:** Openly share the rationale and the impact behind your decisions, so that everybody is on the same page. Ensure that your actions are in line with your own moral compass. For example, terminate the collaboration with a company known for unethical practices and prioritize ethical standards over short-term gains.
- **LEAD BY EXAMPLE:** Participate in community-serve initiatives. Be the first to arrive and the last to leave during crucial moments, demonstrating strong work ethics. Do not be corrupt, do not treat others like they are not worthy, Take responsibility, be fair and just, always speak the truth or at least try not to lie.



Practical Actions of an Ethical Transformative Leader (2)



- **Active listening:** Active listening is the practice of concentrating on what is being said rather than passively hearing the message of the speaker. Ensure you understand the other viewpoint before talk back. Ask open-ended questions to encourage deeper discussions, avoid interrupting while others are speaking, actively try to understand other's point of view, and do not just try to defend whatever it is your defending for your own personal agenda.
- **Empathy:** Empathy is the ability to understand and share the feelings of another. A transformative leader shows empathy by recognizing when a colleague is going through a tough time, professionally or personally. Offer support by adjusting deadlines or help, provide resources for professional development, or simply offering a listening ear.
- **Diversity and Inclusion:** Promoting diversity and inclusion requires leaders to build a workplace that respects and celebrates differences. Allow all employees - regardless of their gender, race, ethnicity, age, or disability - to actively participate and succeed leading to an inclusive, productive workplace.

Ethical Dilemma in the Workplace

You work in a company that is considering investing in a startup called BYO. You have been tasked with analyzing and recommending whether your company should invest in BYO.

Ironically, your father has invested a significant amount of money in BYO. Not only that, but you have heard rumors that BYO might be facing financial difficulties.

Your father expects a positive recommendation. At the same time, your analysis suggests that BYO might have a problem due to potential financial issues shortly.

- 1. How would you address this dilemma? Write down your answer, in approximately 250 words, taking into consideration the “CFA Institute's Framework for Ethical Decision-making”.*
- 2. In your answer, mention also what you would say to your father and your superior.*



2. Shaping a Sustainable and Ethical Future

The 17 Sustainable Development Goals (SDGs)

Corporate Social Responsibility (CSR)

Global Reporting Initiative (GRI)

Ethical and Sustainable Business

Ethical and Sustainable Thinking

Definitions of ethical and sustainable thinking:

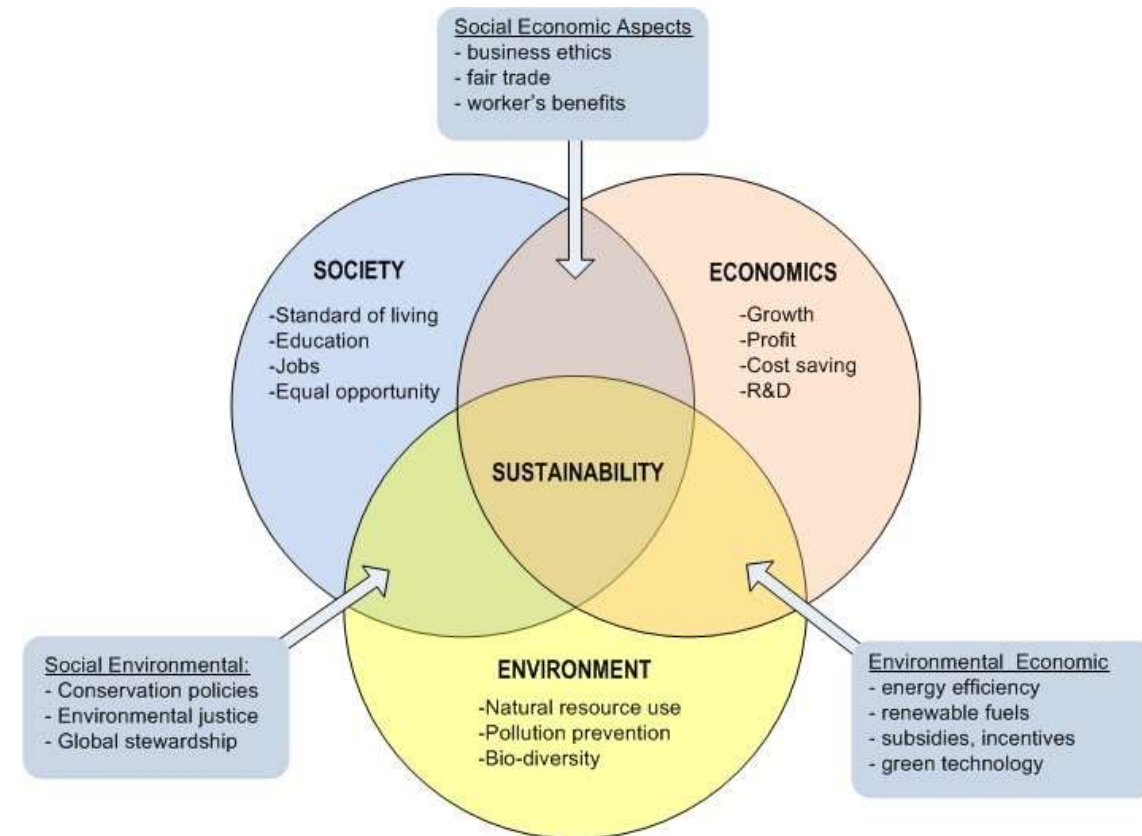
- **Ethical thinking** is the deliberate contemplation of moral standards and values, indicating dedication to honesty and justice.
- **Sustainable thinking** involves evaluating the enduring impacts on the environment, society, and economy, with the goal of achieving persistent beneficial effects for both society and the earth.
- The merger of ethical and sustainable considerations is crucial for *conscientious entrepreneurship*, advocating for a strategy that harmonizes financial success with the welfare of society and the environment.

Sustainability

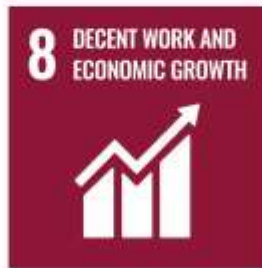
- **Sustainability** is the act of meeting our current needs without compromising the ability of future generations of human beings to meet their own needs.

Three Main Pillars + 1

- **Social Sustainability:** Promotion of fairness, equity, and well-being of the community, ensuring that the basic needs of all individuals are met, and human rights are protected.
- **Environmental Sustainability:** Conservation of natural resources and ecosystems, minimizing environmental impact and maintaining the health of the planet that serves human beings the best.
- **Economic Sustainability:** Management of financial resources in a wise way, ensuring economic practices contribute to the overall well-being of employees and customers, without depleting natural or human resources.
- **Cultural Sustainability:** Preserving and fostering heritage, languages, traditions, and values as essential components of sustainable development.



SUSTAINABLE DEVELOPMENT GOALS



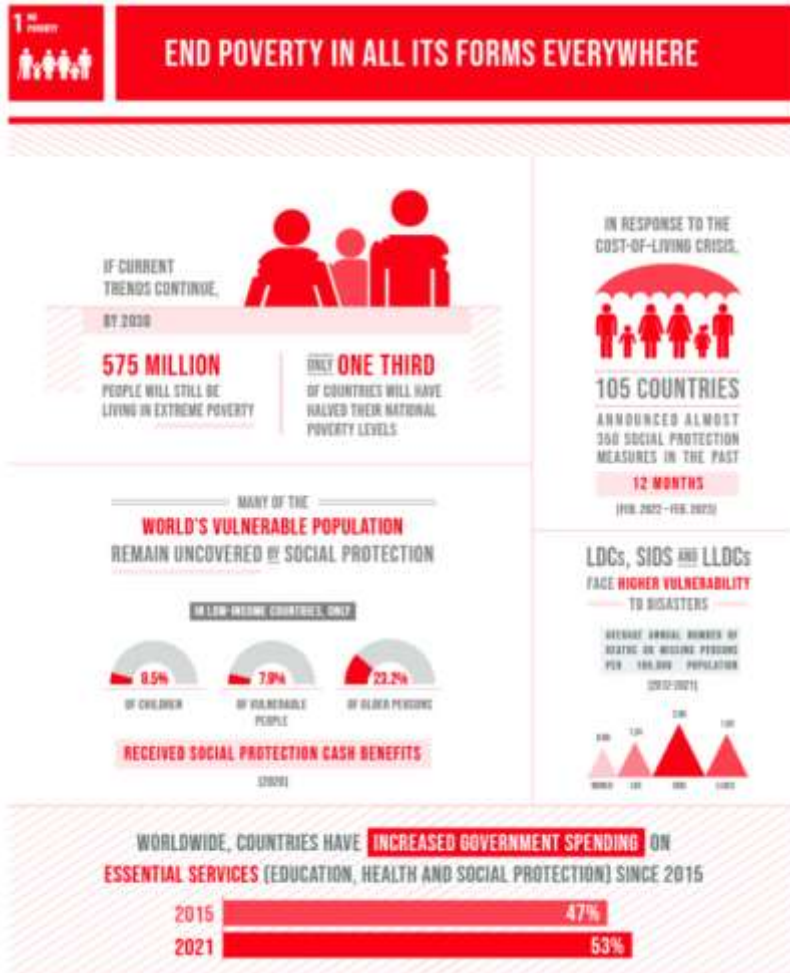
Introduction to Sustainable Development Goals (SDGs)

- The 17 SDGs set by the UN aim to end poverty, protect the planet, and promote peace and prosperity by the year 2030.
- The interconnected nature of the goals means that success in one area often involves addressing issues linked to another goal.
- The SDGs provide a universal call to action, emphasizing the need for collective efforts to achieve sustainable development globally.



SDG1. No Poverty and Example from the Work World

Digital Green



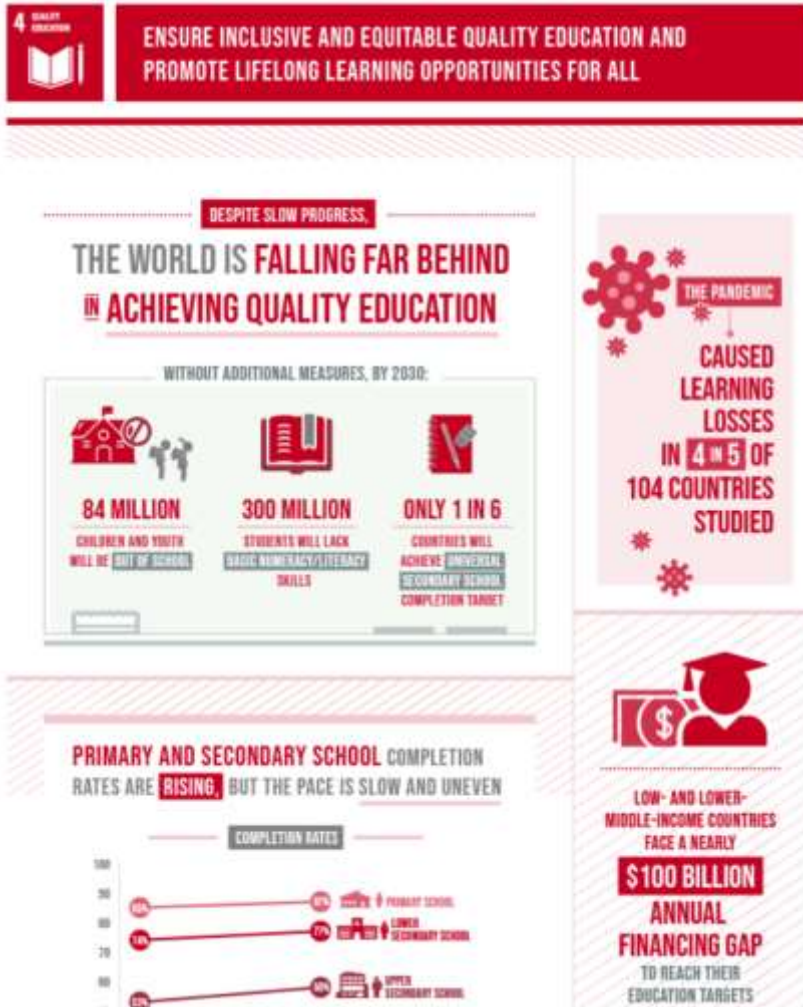
Digital Green:

“A global development organization that is building an AI-powered assistant to help small-scale farmers around the world improve their productivity and incomes by offering innovative development models, technologies, and services to farmers”.



- Farmers are shown videos for educational purposes made by other farmers.
- The initiative fosters a strong sense of community by involving local farmers in the creation.
- Data management tools to track the progress of video dissemination and adoption rates of agricultural practices.

SDG4. Quality Education and Example from the Work World



Bridge International Academies:

Provides affordable, high-quality education to millions of children in low-income countries. Bridge aims to ensure that all children have access to education.

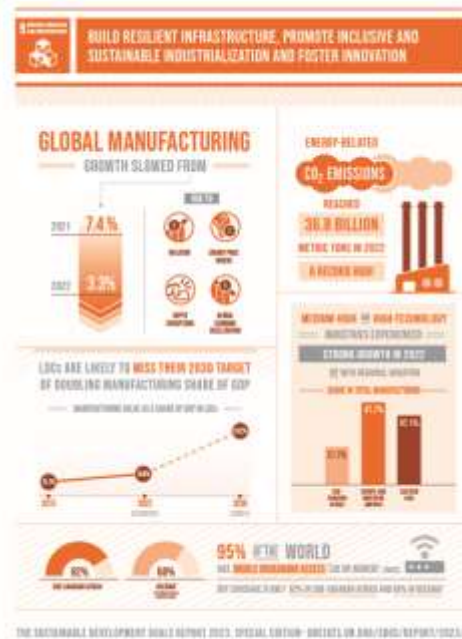


- Innovative use of technology in education.
- Use of smartphones and tablets to deliver lesson plans to teachers, ensuring up-to-date curriculum.
- Teachers receiving ongoing training and support.

SDGs 9 and 11. Sustainable Living and Social Housing, and Example from the Work World

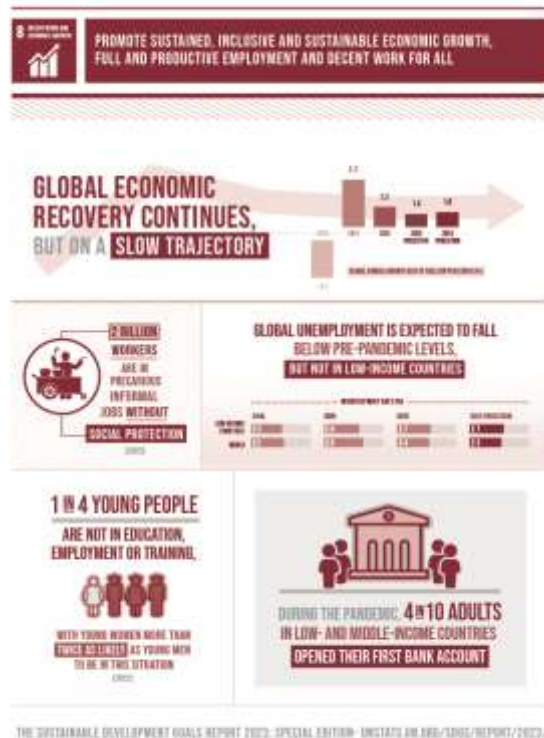


Aspern Urban Lakeside:
 Not an urban expansion zone, but a city-within-a-city with diverse range of urban functions, a business hub, and housing for over 25,000 people.



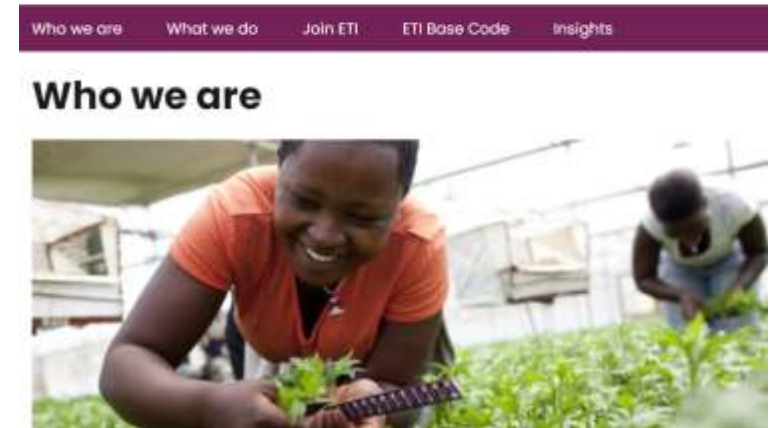
- Prioritizes sustainable energy-efficient buildings, extensive green spaces, renewable energy sources.
- Social housing, affordability.
- Self-sufficient - includes schools, healthcare facilities, shops, and businesses.

SDG8. Decent Work and Economic Growth, and Example from the Work World



Ethical Trading Initiative:

Alliance of companies, trade unions, and NGOs. Its mission is to build worker-oriented programs, develop resources, influence corporate practice, and provide thought leadership on ethical trade.



- Labor rights' issues in global supply chains.
- Training (capacity-building exercises) for suppliers & companies, so that ethical practices are implemented effectively.
- Improving the working conditions of workers.

Critical thinking discussion:

How can individuals in poverty prioritize sustainability when faced with immediate survival needs?

Can those choices be made achievable for individuals across all income levels or is sustainability a sport for the rich?

The Contradictory Cultural Practice (A)

Cultural sustainability refers to preserving and promoting cultural diversity, heritage, and traditions, while advancing social, economic, and environmental sustainability. **However, some cultural practices may conflict with sustainability goals.**

In groups, discuss and report on one of the examples.

- 1. The cultural significance of the given practice, covering both its impact and its importance within the society.*
- 2. How the practice conflicts with specific UN sustainability goals.*
- 3. Potential solutions or compromises that respect the cultural practice while addressing the sustainability conflict.*



Example 1: Bullfighting, a traditional spectacle of Spain, is considered an art form by many and an important part of Spanish heritage and identity.

Example 2: In some cultures (indigenous communities in the Arctic), whale hunting has been a traditional practice for centuries, vital for sustenance, cultural identity, and social cohesion.

The Contradictory Cultural Practice (B)

Cultural sustainability refers to preserving and promoting cultural diversity, heritage, and traditions, while advancing social, economic, and environmental sustainability. **However, some cultural practices may conflict with sustainability goals.**

As soon as you provide your answers, discuss also in groups:

- 1. Is the practice assigned to you related, at any point, to ethics?*
- 2. Are ethics the same across cultures?*
- 3. Is there any practice pertaining to your culture that is contradictive to the UN sustainability goals?*



Corporate Social Responsibility (CSR)



- **Corporate Social Responsibility** is a business model in which companies integrate social and environmental issues into their procedures.
- It is the idea that a business has an **ethical responsibility to society**.
- CSR practices contribute to **SDGs** by addressing **social, environmental, and economic aspects**, and improving company reputation and trust.
- They are intended to benefit someone other than the organization itself.

CSR Practices across 3 Domains

Social

1. Employee wellbeing
2. Philanthropy – donations
3. Community engagement

Environmental

1. Reducing carbon footprint
2. Waste Management
3. Using sustainable materials

Economic

1. Fair competition
2. Anti-corruptive measures
3. Safe & quality products

How do we measure CSR



- CSR outlines the obligation of organizations to contribute positively to society; measuring and communicating these efforts transparently and effectively is where the **Global Reporting Initiative (GRI) standards** come into play.



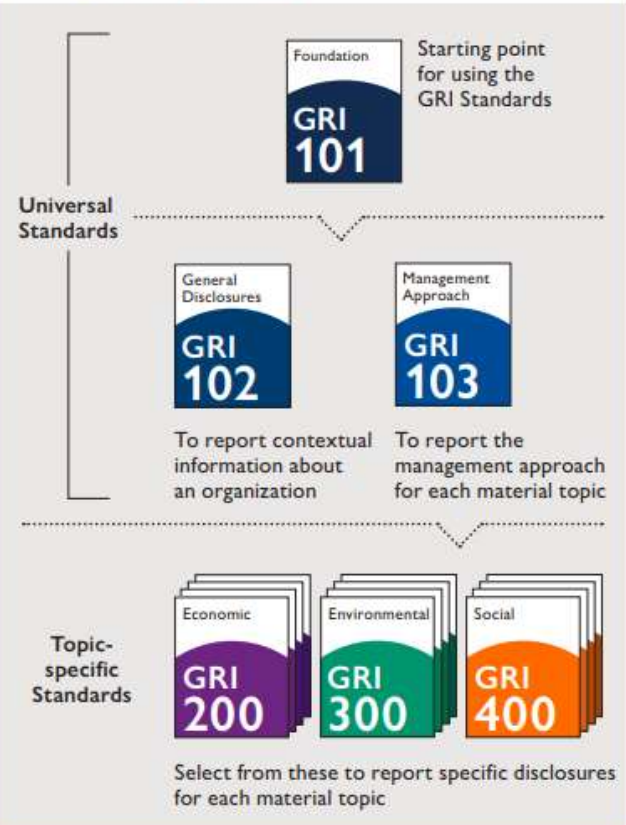
Global Reporting Initiative (GRI)

- **A detailed set of standards and guidelines for sustainability reporting.**
- Aligning business strategies with SDGs.
- Enhancing transparency and facilitating stakeholder engagement.
- Helping companies to communicate impact on issues like climate change, human rights, corruption, etc.



Global Reporting Initiative (GRI)

Figure 1
Overview of the set of GRI Standards



Foundation (GRI101): Think of it as the handbook's introduction. It tells you why these standards exist, what they aim to achieve, and fundamental rules for using them to report on sustainability issues, etc.

General Disclosures (GRI102): This is like the "about us" section of a report, this is the part where the organization discusses size, location, and its sustainability strategy.

Management Approach (GRI103): This explains how the organization deals with various sustainability issues.

1. **Economic (GRI200):** The part in which the organization reports on its financial contributions to society, the economic impact on communities, and how it supports local businesses.

2. **Environmental (GRI300):** This is about things such as how much waste the organization produces, how it uses resources, and what it's doing to protect the environment

3. **Social (GRI400):** This reports on a wide range of things, such as employee rights and practices within the organization, community relations to product safety, and data protection.

GRI Reporting Simplified with Example

- **1st**, familiarize yourself with the "Consolidated Set of GRI Sustainability Reporting Standards," which serve as the global benchmark for reporting economic, environmental, and social impacts.
- **2nd**, use as an example Standard GRI 404-2, which focuses on "Training and Education" detailing the requirements for reporting on initiatives to enhance employees' skills.
- **Finally**, look at how a company named **WPP** effectively reports on GRI 404-2 in their sustainability report, showcasing their commitment to upgrading employee skills.

GRI Sustainability Reporting Standards:

This is a guide that shows what a GRI Sustainability Report should include.



CONSOLIDATED SET OF GRI SUSTAINABILITY REPORTING STANDARDS 2020

ALL standards

Topic-specific Standards

GRI 200: Economic

GRI 201: Economic Performance 2016	1 July 2018
GRI 202: Market Presence 2016	1 July 2018
GRI 203: Indirect Economic Impacts 2016	1 July 2018
GRI 204: Procurement Practices 2016	1 July 2018
GRI 205: Anti-corruption 2016	1 July 2018
GRI 206: Anti-competitive Behavior 2016	1 July 2018
GRI 207: Tax 2019	1 January 2021

GRI 300: Environmental

GRI 301: Materials 2016	1 July 2018
GRI 302: Energy 2016	1 July 2018
GRI 303: Water and Effluents 2018	1 January 2021
GRI 304: Biodiversity 2016	1 July 2018
GRI 305: Emissions 2016	1 July 2018
GRI 306: Waste 2020	1 January 2022
GRI 307: Environmental Compliance 2016	1 July 2018
GRI 308: Supplier Environmental Assessment 2016	1 July 2018

GRI 400: Social

GRI 401: Employment 2016	1 July 2018
GRI 402: Labor/Management Relations 2016	1 July 2018
GRI 403: Occupational Health and Safety 2018	1 January 2021
GRI 404: Training and Education 2016	1 July 2018
GRI 405: Diversity and Equal Opportunity 2016	1 July 2018
GRI 406: Non-discrimination 2016	1 July 2018
GRI 407: Freedom of Association and Collective Bargaining 2016	1 July 2018
GRI 408: Child Labor 2016	1 July 2018
GRI 409: Forced or Compulsory Labor 2016	1 July 2018
GRI 410: Security Practices 2016	1 July 2018
GRI 411: Rights of Indigenous Peoples 2016	1 July 2018
GRI 412: Human Rights Assessment 2016	1 July 2018
GRI 413: Local Communities 2016	1 July 2018
GRI 414: Supplier Social Assessment 2016	1 July 2018
GRI 415: Public Policy 2016	1 July 2018
GRI 416: Customer Health and Safety 2016	1 July 2018
GRI 417: Marketing and Labeling 2016	1 July 2018
GRI 418: Customer Privacy 2016	1 July 2018
GRI 419: Socioeconomic Compliance 2016	1 July 2018

Disclosure 404-2

Programs for upgrading employee skills and transition assistance programs

Reporting requirements

The reporting organization shall report the following information:

- a. Type and scope of programs implemented and assistance provided to upgrade employee skills.
- b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

Disclosure
404-2

Guidance

Guidance for Disclosure 404-2

Employee training programs that aim to upgrade skills can include:

- internal training courses;
- funding support for external training or education;
- the provision of sabbatical periods with guaranteed return to employment.

Transition assistance programs provided to support employees who are retiring or who have been terminated can include:

- pre-retirement planning for intended retirees;
- retraining for those intending to continue working;
- severance pay, which can take into account employee age and years of service;
- job placement services;
- assistance (such as training, counselling) on transitioning to a non-working life.

Background

Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. More skilled employees enhance the organization's human capital and contribute to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they are supported in their transition from work to retirement.



An example of one standard:
404-2 Training and education



CONSOLIDATED SET OF GRI
SUSTAINABILITY REPORTING STANDARDS
2020

SKILLS, TRAINING AND DEVELOPMENT

We're exceptionally proud of the talented people at WPP – they are the key to our creativity. That's why we put bold initiatives in place to attract, engage and develop the best in the industry.

FULFILLING CAREERS AND GLOBAL EXPERIENCES

We want WPP to be the employer of choice, an organisation where people have the space to grow their career. We offer a breadth of ways for people to learn, develop and go places they didn't think possible.

Career Explorer, our online jobs platform, unlocks the value of being part of a global network, showcasing open roles and encouraging employees to discover growth and mobility opportunities across some of the most exciting, creative agencies in the world. On average 7,000 roles per month were advertised to employees in 2022, and network-wide mobility has increased 80% since 2020.

INVESTING IN LEARNING

In 2022, we invested £31.3 million in learning and development opportunities for our people.

In September we launched WPP's Future Readiness Academies, a first-of-its-kind, global learning programme to help everyone across the Company develop the skills and knowledge needed to thrive in a digital world. To date we've had over 12,000 people sign up from across the globe.

During 2022 we continued to work with our strategic partners to develop our people's skills. As a result, WPP employees earned more than 33,000 accreditations and certifications from leading technology partners including Adobe, Meta, Microsoft and TikTok.

In 2022 we continued to invest in programmes such as Walk the Talk and Fast Forward, propelling women to leadership positions, and Maestro, an immersive and experiential programme designed to help our senior client leaders explore, develop and hone their leadership skills to elevate their client relationships to that of being truly trusted business partners.

We also expanded Elevate, the United States-based sponsorship programme for Black women, into the UK, providing tools to support their career growth, personal development and wellbeing.

Development needs are assessed during a formal appraisal process. We follow up training with participants to assess the effectiveness of a course and whether it has helped improve performance at work.

INTERNSHIPS AND APPRENTICESHIPS

Internships and apprenticeships provide young people with valuable experience, and WPP with access to an additional talent pool. All our internships and apprenticeships are paid positions that are accessible to people from all backgrounds. Many of our internships are designed to attract diverse candidates.

In 2022 our third series of NextGen Leaders, a virtual learning experience for those starting out or new to the industry, welcomed 2,663 participants across 71 countries (up from 800 participants in 54 countries at launch). Ninety-two percent said they were likely to join or continue their career at WPP.

In 2022, the Company offered 7,701 paid internships and apprenticeships (2021: 8,195) in more than 50 countries, primarily in Brazil, China, France, Germany, India, Spain and the United States.

33,000+

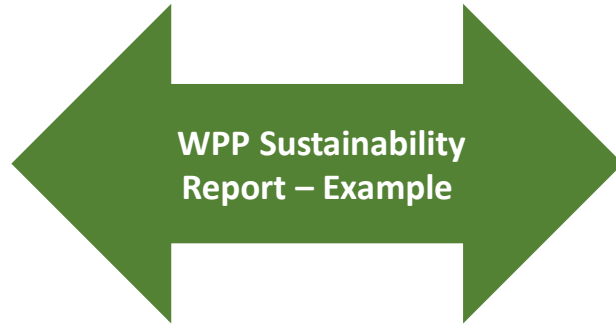
employee accreditations and certifications earned from leading technology partners such as Adobe, Meta, Microsoft and TikTok (2021: 30,000+)

EDUCATION PARTNERSHIPS

We partner to attract different voices and perspectives to WPP.

With support from WPP's Racial Equity Programme, we are partnering with The One Club for Creativity to build ONE School UK. Applications are open for this free 16-week online portfolio and mentoring programme designed to support Black British creatives entering the industry. To date in the United States, ONE School has brought over 100 new creatives into the advertising industry.

In the UK, in partnership with Brixton Finishing School and the Uninvisibility Project, WPP also launched free VisibleStart training, a programme created to help women aged 45+ who want to enter or re-join the industry.



WPP is a global leader in advertising and marketing services.

DIVERSITY

54%

of senior managers across WPP are women

22%

of senior and executive managers in the US, our largest market, are non-white

EMPLOYEES BY GENDER



PEOPLE COMMUNICATIONS

1.8 million

unique opens of CEO all-staff emails

5,900

average attendance at CEO virtual townhalls

72,700

employees worldwide completed refreshed All in staff survey

In 2022, WPP received a top score of 100 in the Corporate Equality Index, and was again named among the Best Places to Work for LGBTQ+ equality.

Over the course of the year, we rolled out our Mental Health Allies programme in the United States and Singapore, building on a successful pilot in the UK. We now have over 550 Allies who help to ensure colleagues stay healthy, supported and safe by encouraging open conversations about mental health in the workplace and directing them to resources and assistance when they need it. We also introduced Making Space, an initiative focused on giving people space to look after their wellbeing.

And we have developed our benefits programmes to make them more inclusive, including enhanced fertility cover in the United States, a suite of family and parental policies in the UK, and improvements to LGBTQ+ partner and spouse cover in China, India, Philippines, Singapore and Thailand.

These metrics were subject to independent limited assurance procedures by PricewaterhouseCoopers LLP (PwC) for the year ended 31 December 2022. For the results of PwC's 2022 Limited Assurance report and the 'WPP Sustainability Reporting Criteria 2022', see our 2022 Sustainability Report.

GREAT PLACES TO WORK

- AKQA was named as The Dots Best Company to Work For in 2022 for the third year in a row
- VML&R won Best Place to Work: Network, and top Global Diversity and Inclusion Initiative in Campaign's Global Agency of the Year awards
- CMI Media Group made the top 50 Ad Age Best Places to Work 2023



Our new Guangzhou Campus is a creative hub that brings together over 500 people across different WPP agencies

A NEW WAY OF WORKING

The last two-and-a-half years have brought lasting changes to the way we work at WPP. We've embraced greater flexibility in how and where we do our jobs, and found that can deliver better outcomes for ourselves and our business.

Our success continues to rely on collaboration, culture and talent. Being together, in person, helps us mentor and develop the many people starting their careers with us, build and maintain our culture, do our best work for clients, and find the right balance between our personal and working lives. Our hybrid approach – with time spent working in our campuses and remotely – has been adopted across the Company.

As the recovery from the pandemic continues, the occupancy rate of our campuses rose to over 40% in 2022, from around 30% in 2021. We opened our third state-of-the-art campus in Greater China, in Guangzhou, at the start of 2023.

The Guangzhou Campus was built with flexibility and collaboration in mind, and is well placed to support and contribute to China's thriving start-up sector.

We also continued to exploit new ways to connect. Our virtual global CEO townhall series, in which Mark Read and leaders from across WPP discuss topics from sustainability to Super Bowl ads, was well attended. An average of 5,900 participants joined each event, up 40% from 2021. CEO all-staff emails accumulated over 1.8 million unique opens over the year, a 64% increase, while our global internal newsletter, The Weekly, had over 1.8 million unique opens, an increase of 34% year-on-year.

Finally, recognising the contribution of our people during the challenges of recent years, we invested in supporting colleagues' wellbeing through the Making Space initiative, which kicked off with a four-day weekend for all employees to take time out to recharge, reset and refresh.

The Sustainable Corporation Mask: Ethicality Check (A)



In groups:

1. *Begin by reviewing the GRI 404-2 Guidelines to grasp what information needs to be included in the report about training and education initiatives.*
2. *Then, read the WPP Sustainability Report's section related to GRI 404-2.*
3. *With the GRI Guidelines and WPP's example in mind, draft a simple paragraph as if you were reporting on the specific standard (GRI 404-2) for an imaginary organization of your choice.*

The Sustainable Corporation Mask: Ethicality Check (B)



Discussion:

- 1. From your experience, do organizations always report the truth?*
- 2. How can organizations balance the pressure to present positive outcomes with their ethical responsibility to provide a truthful account of their sustainability performance report?*
- 3. Discuss the potential consequences of misreporting or selectively highlighting data, for the organization the employees, and the society.*

Relevance of Ethicality and Sustainability with Entrepreneurship

- **Ethical and sustainable thinking** accelerates innovation, fostering accountable actions and solutions that address community needs while reducing adverse effects.
- The practice of **social responsibility and corporate citizenship** bolsters brand reputation and fosters loyalty among customers, investors, and employees who prioritize mission-driven entities.
- Highlighting **ethics and sustainability** draws in ethically aware consumers, socially responsible investors, and employees with strong value systems, encouraging enduring progress and prosperity.



Benefits of Ethical and Sustainable Business

- **Brand loyalty:** Ethical behaviour fosters trust among consumers, resulting in recurring purchases and favorable referrals.
- **Cost Savings:** Initiatives in sustainability decrease waste and energy use, and lower operational expenses, all the while improving the efficiency of resource utilization.
- **Broader market access and adaptability:** Companies focused on ethics and sustainability appeal to environmentally aware customers and are more agile in response to market shifts, promoting sustained expansion
- **Employee morale:** boosts the morale of employees by fostering a sense of pride and purpose in their work by contributing to positive social and environmental impacts.

Examples of Ethical and Sustainable Business

Tesla

Focus: Accelerating the transition to sustainable energy.

Actions: Pioneers in electric vehicles and invests in solar energy and battery storage.

Impact: Reduces reliance on fossil fuels by using their cars and during production and combats climate change.

Disney

Focus: Environmental stewardship and conservation.

Actions: Operates on a global conservation fund, aims for net-zero greenhouse gas emissions, and reduces water usage across all operations.

Impact: Enhances biodiversity, minimizes environmental footprint, and promotes sustainable resource use.

Apple

Focus: Carbon neutrality and resource efficiency.

Actions: Committed to becoming 100% carbon neutral across its entire business, manufacturing supply chain, and product life cycle by 2030. Uses recycled materials and ensures devices are energy-efficient.

Impact: Reduces the environmental impact of products and operations, promoting a circular economy.

Coca-Cola

Focus: Water stewardship and sustainable packaging.

Actions: Aims to replenish the water used in its drinks and packaging, and promotes recycling through the "World Without Waste" initiative.

Impact: Reduces waste and water use, ensuring sustainable packaging practices and water neutrality.

Sustainability Audit

Work in groups to conduct a quick audit of your training facility, your workplace, or an imaginary workplace. Focus on areas such as energy use, waste management, resource efficiency, and carbon footprint.

Go to the next slide and use the two tools, one after the other.

Perform the audit in the designated area and then, brainstorm on practical, low-cost solutions or improvements that could be implemented to enhance sustainability.



Environmental Audit Checklist

1. You can download and use this free environmental audit checklist when analyzing your organization's environmental policy, checking your site establishment and verifying if management practices in place are adequate.
2. Then, you can use the second link to check your carbon footprint.

*Carbon footprint is the total amount of greenhouse gases that are emitted directly or indirectly by a person or an organization through its lifecycle.

1. https://public-library.safetyculture.io/products/environmental-audit-checklist-1sfdbzlkhlknhsgr?amp_dev=3155f260-41fd-48eb-9958-153f5c02aed4&sid=1708435780290?amp_dev=3155f260-41fd-48eb-9958-153f5c02aed4&sid=1708435780290
2. <https://www3.epa.gov/carbon-footprint-calculator/>





Revision

- ✓ What does ethical relativism suggest?
- ✓ What are some reasons that cause unethical decisions by employees?
- ✓ What is the overall goal of the 17 SDGs?
- ✓ How can we measure Corporate Social Responsibility and what are the limitations?
- ✓ What are the 3 Domains of CSR (sustainability domains as well)?
- ✓ Name 2 practices per CSR domain.



Do you have any questions?



What will you keep from
today's training?

Training Evaluation



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List of Suggested Resources for Self-Directed Learning

- [What Is CSR? Corporate Social Responsibility Explained \(investopedia.com\)](https://www.investopedia.com/terms/c/csr.asp)
- [Corporate Social Responsibility \(CSR\) - Types and Business Benefits \(corporatefinanceinstitute.com\)](https://www.corporatefinanceinstitute.com/terms/csr/)
- [THE 17 GOALS | Sustainable Development \(un.org\)](https://www.un.org/sustainabledevelopment/)
- [GRI - Home \(globalreporting.org\)](https://www.globalreporting.org/)
- [gri-and-reporting-standards-index.pdf \(wpp.com\)](https://www.wpp.com/~/media/Global-Reporting-Initiative/2022-03-22/gri-and-reporting-standards-index.pdf)
- [sustainability-reporting-standards-index-2022.pdf \(wpp.com\)](https://www.wpp.com/~/media/Global-Reporting-Initiative/2022-03-22/sustainability-reporting-standards-index-2022.pdf)
- [Ethical Business Practices: Strategies for Sustainable Success \(atsbc.com\)](https://www.atsbc.com/resources/ethical-business-practices)
- [Ethical Theories: Explanation and Examples \(philosophyterms.com\)](https://www.philosophyterms.com/ethical-theories/)
- [Industry Codes and Standards | CFA Institute Research & Policy Center](https://www.cfainstitute.org/research/industry-codes-and-standards)
- [Ethical Decision Making \(cfainstitute.org\)](https://www.cfainstitute.org/ethics/ethical-decision-making)
- [The Crucial Role of Ethics in Entrepreneurship | Meridian University](https://www.meridian.edu/blog/the-crucial-role-of-ethics-in-entrepreneurship)
- [What is Transformative Leadership? | Meridian University](https://www.meridian.edu/blog/what-is-transformative-leadership)
- [14 Best Sustainable Business Examples to Follow \(theimpactinvestor.com\)](https://www.theimpactinvestor.com/14-best-sustainable-business-examples-to-follow/)



Entrepreneurial Mindset and Key Skills for All

Thank you!



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