

## SESSION 1 - CORPORATE SUSTAINABILITY

### Useful definitions

- **Sustainability:** Development that meets the needs of the present without compromising the capacity of future generations, thus guaranteeing a balance between economic growth, care for the environment and social welfare.
- **Shareholder theory:** states that the only responsibility of companies is to increase the profits of the organization.
- **The stakeholder theory:** states that a company must assume a responsibility before a broader group of interested parties, in addition to the shareholders.
- **Stakeholders:** any person/group that can affect/be affected by the actions of a company. It includes employees, customers, suppliers, creditors, and even the general community and competitors.
- **Triple Bottom Line:** A business concept that states that companies must commit to measuring their social and environmental impact, in addition to their financial performance, rather than focusing solely on generating profits, or the traditional "bottom line." It can be broken down into the "three P's": profit, people, and the planet.
- **Sustainable Development Goals:** The Sustainable Development Goals emerged on September 25, 2015 when representatives of 193 countries, with a record of more than 150 Heads of State and Government, adopted a historic commitment by approving the Sustainable Development Goals (SDG ) at the headquarters of the United Nations Organization. The SDGs constitute an ambitious set of global objectives that seek, in general terms, to eradicate poverty, combat inequality, protect the planet and ensure prosperity for all, becoming the roadmap for Sustainable Development for the period 2015-2030, also known as Agenda 2030.
- **European Green Deal:** establishes the ecological transformation objectives for the European Union. This Pact represents a growth strategy to achieve a fair and prosperous society, with a modern economy, efficient in the use of resources and competitive, in which there will be no GHG emissions in 2050 and economic growth will be decoupled from the use of natural resources. means.
- **Law on Climate Change and Energy Transition (PLCCTE):** legislative project for Spain to achieve emissions neutrality no later than 2050, consistent with scientific criteria and the demands of citizens.
- **Circular Economy Action Plan:** European plan with measures throughout the life cycle of products, the new Action Plan aims to adapt our economy to an ecological future and strengthen our competitiveness, while protecting the environment and conferring

new rights on consumers.

- **Spanish Circular Economy Strategy:** Spain Circular 2030 lays the foundations for promoting a new production and consumption model in which the value of products, materials and resources are maintained in the economy for as long as possible, in which they are reduced to The generation of waste is minimized and those that cannot be avoided are used as far as possible.
- **Sustainability and Human Rights Due Diligence Directive:** The European proposal aims to encourage sustainable and responsible business behavior along global supply chains.
- **Preliminary draft law for the protection of human rights, sustainability and due diligence in transnational business activities:** preliminary draft Spanish law that is currently in the public consultation phase and pursues the objective of regulating with a binding and general nature the obligation of companies to respect human and environmental rights in all the activities carried out throughout their value chains.
- **Corporate Sustainability Reporting Directive (CSRD):** European directive part of a larger sustainable finance package, which enables compliance with the European Green Deal by helping to channel private investment that supports the transition to a climate-neutral economy.
- **Non-financial Information Statement:** The EINF summarizes the practices and policies adopted by the entity in terms of sustainability and corporate responsibility. The report, therefore, must include, at a minimum, information related to environmental, social and governance issues. It will also include the company's commitments to sustainable development. All this supported by a series of key indicators for each of the parts of the report.
- **ESG:** stands for Environment, Social and Governance, and marks the three main pillars of sustainability.
- **Materiality analysis:** is a process that allows identifying the most relevant issues for the company and prioritizing them, in addition to knowing those that most concern the stakeholders and how they impact the business model and vice versa. It also helps to align the sustainability strategy with the expectations of the stakeholders.