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Development of Strategic Digital Guide for
Organizational Sustainability

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Introduction

The Strategic Digital Guide for Organizational Sustainability is a practical and purpose-driven tool designed to support local micro-entities, such as grassroots organizations and other stakeholders, in adopting sustainable practices aligned with the policies and directives of the European Union (EU).

The development of this guide reflects the commitment of the SOI (Sustainable Organizational Investment) project to empower leaders, trainers, educators, and managers of local organizations by providing them with strategic and operational knowledge to address the challenges posed by sustainability. This guide's introduction not only defines its scope and significance but also underscores its role in fostering a greener, more inclusive, and strategic transition that benefits all stakeholders.

The main objectives of this guide are:

1. **Provide local micro-entities with a means to understand and align their organizational strategies** with the EU's environmental and sustainability policies, promoting greater compliance with European directives.
2. **Encourage the integration of sustainability as a core value** in the strategic planning of organizations, emphasizing operational and reputational benefits and advantages.
3. **Create an accessible and interactive digital resource**, offering a deep and practical understanding of concepts such as **ESG** (Environmental, Social, and Governance), Sustainable Development Goals (**SDGs**), and the European Directive 2022/2464 on non-financial sustainability reporting.

As a methodology, the development of the **Strategic Digital Guide for Organizational Sustainability** follows a collaborative and needs-driven approach centered on the target organizations, based on the following steps:

Sept 1: Policy Research and Analysis

The project team will conduct a thorough review of the latest EU policies and directives related to sustainability and organizational reporting (including Directive 2022/2464). This step ensures that the content is accurate, relevant, and up-to-date.

Sept 2: Defining Structure and Content

The guide will be organized into three main sections addressing the following themes:

1. Environmental and Sustainability Policy of the European Union.
2. ESG and SDGs: Governance and Strategic Alliances.
3. Positioning and Benefits of Sustainability for Local Organizations.

Each section will be developed using accessible language, enriched with illustrations and practical examples.

Sept 3: Development of Interactive Digital Resources

The guide will include digital elements such as **QR Codes**, enabling readers to access additional content. These materials are designed to enhance the learning experience and encourage the exploration of supplementary resources.

Sept 4: Review and Validation

Before finalization, the guide will undergo a review process from partner organizations and will be tested with target audience members to ensure its effectiveness and practical relevance.

Sept 5: Translation and Localization

To maximize impact, the guide will not only be presented in English but also translated into the languages of partner organizations (Italian, Spanish, Portuguese), ensuring that the content is accessible and culturally adapted.

From the specific contents of this strategic guide, we expect the following outcomes:

1. **A strategic, digital, and interactive document** serving as an essential reference for local organizations and stakeholders interested in sustainability.
2. **Enhanced organizational capacity to strategically align with EU sustainability policies**, ensuring operational, social, and environmental benefits.
3. **A practical and accessible tool** that inspires action and fosters a green transition in local communities.
4. A strategic guide that guides and **triggers the reader's interest in taking action** through the electronic manuals resulting from the SOI project:
 - ✓ E-Manual Operationality for Organizational Sustainability
 - ✓ E-Manual of Communication of Organizational Sustainability

All e-manuals, materials, and other open educational resources as well this Strategic Guide can be easily accessed and free of charge through the project website available via link and/or QR-code.

Finally to support organizations in assessing their positioning and alignment with the content presented in this guide, a Questionnaire on Organizational Sustainability Positioning, left in Appendix at the end of the guide, has been included as a complementary resource. This self-assessment tool allows leaders of organizations to reflect on their sustainability strategies, governance structures, and operational approaches.

We hope this guide is widely embraced by readers, not merely as a practical tool but as a source of inspiration and transformation. May it ignite a sense of purpose and challenge, motivating each organization and individual to take an active role in building a greener and more sustainable future. Let this guide serve as a guiding light on the journey towards a regenerative economy, respecting planetary boundaries and ensuring a positive legacy for present and future generations.

Environmental and Sustainability Policy of the European Union

1. European Sustainability Policy: Importance and Impact

The European Sustainability Policy serves as a fundamental pillar in the European Union's (EU) approach to tackling climate change, environmental degradation, and the transition to a sustainable economic model. It embodies the EU's long-standing commitment to embedding sustainability at the heart of all economic, environmental, and social policies. As such, it represents more than just a regulatory framework—it is a strategic vision that shapes governance, investment, innovation, and social development across all member states.

Sustainability policies are essential in balancing economic growth with environmental protection and social equity (Dobson, 2007; Meadowcroft, 2011). In this context, sustainability is not only a matter of environmental preservation but also of long-term resilience, justice, and inclusive development. According to Adams (2006), a truly sustainable policy must account for the interplay between biophysical limits and social structures. This understanding has profoundly influenced the European Commission's approach to policy design and implementation.

The European Sustainability Policy reflects a multidimensional strategy rooted in the recognition of planetary boundaries (Rockström et al., 2009) and the pursuit of a regenerative economy (Raworth, 2017). It encompasses objectives such as climate neutrality, circularity, ecosystem resilience, sustainable finance, and green innovation, framed by the overarching commitments of the United Nations 2030 Agenda for Sustainable Development (United Nations, 2015). Furthermore, by operationalizing the principles of the triple bottom line—people, planet, and profit (Elkington, 1997)—the EU ensures that sustainability is embedded across policy layers and sectors.

In practical terms, the EU has committed significant resources to mainstreaming sustainability. Programs such as Horizon Europe, LIFE, and the Cohesion Fund directly finance innovation, environmental restoration, social inclusion, and climate adaptation. Moreover, the Recovery and Resilience Facility has prioritized green and digital transitions as a condition for post-pandemic economic recovery (European Commission, 2021). These mechanisms show the centrality of sustainability in the Union's development model.

This chapter explores the significance of European Sustainability Policy, its legislative framework, its impact across multiple sectors, and the challenges and future prospects of sustainability governance in the EU. It demonstrates how sustainability policy is not only a moral imperative but a pragmatic approach to safeguarding Europe's prosperity and global leadership.

1.1. The Evolution of European Sustainability Policy

Sustainability policy in Europe has undergone significant transformation over the past decades, shaped by international agreements, environmental movements, and EU-led initiatives that have progressively expanded the scope of environmental and social governance.

The foundation of sustainability in EU policy can be traced back to the Maastricht Treaty (1992), which for the first time integrated environmental protection as a guiding principle in EU decision-making. This was further expanded by the Amsterdam Treaty (1997), which explicitly declared sustainable

development as an objective of the EU (European Commission, 1997). These milestones laid the groundwork for embedding sustainability into the legal and political architecture of the Union.

The adoption of the EU Sustainable Development Strategy (SDS) in 2001 was a significant step forward. It provided a long-term framework for addressing economic, environmental, and social objectives in a balanced and integrated manner. The 2006 review of the SDS introduced clearer targets and emphasized good governance and stakeholder engagement as essential pillars of sustainable development (European Council, 2006).

Parallel to these developments, the EU actively participated in international efforts such as the Kyoto Protocol and the Rio+20 Conference, further reinforcing its commitment to global sustainability leadership. The EU's role in shaping the Sustainable Development Goals (SDGs) has been particularly influential, with the Union adopting the 2030 Agenda not only as a global obligation but as a strategic opportunity for transformation (European Commission, 2016).

More recently, the European Green Deal (2019) has emerged as a transformative initiative aimed at making Europe the first climate-neutral continent by 2050. It represents the most ambitious sustainability strategy in the EU's history, introducing wide-ranging reforms in areas such as energy, transport, agriculture, finance, and biodiversity. The Green Deal aligns with the global commitments made in the Paris Agreement (UNFCCC, 2015) and builds upon previous sustainability frameworks to accelerate decarbonization, promote the circular economy, enhance digital innovation, and foster social inclusion.

The Green Deal also incorporates the "Just Transition Mechanism," ensuring that vulnerable regions and workers receive support in the shift toward a greener economy. In this way, the EU promotes not only environmental integrity but also economic cohesion and social justice (European Commission, 2020). As Meadowcroft (2011) observes, sustainable transitions require more than technical solutions—they necessitate political commitment, stakeholder alignment, and institutional capacity-building. The EU's evolution in this regard demonstrates an increasingly integrated and systemic approach to sustainability governance.

1.2. Key Legislative Framework

The European Sustainability Policy is anchored in several critical legislative instruments, each of which contributes to an integrated and enforceable vision of sustainable development. These legal frameworks form the backbone of Europe's green transition and guide action at both national and local levels:

- **The European Green Deal (2019):** This is the cornerstone of the EU's sustainability agenda. It sets out a roadmap to make the EU's economy sustainable by turning climate and environmental challenges into opportunities across all policy areas (European Commission, 2019). It integrates targets for carbon neutrality, biodiversity protection, zero pollution, and sustainable food systems, underpinned by a comprehensive investment strategy.



- **The EU Taxonomy for Sustainable Activities (Regulation (EU) 2020/852):** This classification system provides a clear definition of what constitutes an environmentally sustainable economic activity. It is a pivotal tool for investors, financial institutions, and policymakers seeking to redirect capital flows towards greener solutions while avoiding greenwashing (European Parliament, 2020).
- **The Circular Economy Action Plan (2020):** A key component of the Green Deal, the Action Plan promotes sustainable consumption, product longevity, and waste reduction. It supports innovation in sectors such as electronics, textiles, plastics, and construction while fostering new business models aligned with reuse, repair, and recycling (European Commission, 2020).
- **The Fit for 55 Package (2021):** This ambitious legislative package aims to revise and update EU climate and energy legislation to ensure the EU meets its 2030 emissions reduction target. It includes reforms to the EU Emissions Trading System, introduction of a Carbon Border Adjustment Mechanism, and stronger rules on energy efficiency and renewable energy (European Commission, 2021).
- **The Corporate Sustainability Reporting Directive (CSRD, 2022):** This directive expands the scope of sustainability reporting obligations to a larger number of companies. It introduces detailed reporting standards and requires external assurance of sustainability disclosures, thus enhancing transparency and comparability in corporate sustainability practices (European Parliament, 2022).



Together, these legislative instruments form a coherent framework that operationalizes the EU’s vision of sustainability. As Sachs (2015) argues, regulatory clarity and alignment are essential for steering complex systems toward sustainability. By enshrining sustainability principles into binding law, the EU reinforces accountability, consistency, and long-term impact.

Moreover, these legal initiatives are complemented by guidance from bodies such as the European Financial Reporting Advisory Group (EFRAG) and international standards like the GRI and SASB, which ensure coherence with global frameworks and investor expectations (Eccles & Krzus, 2018).

These developments mark a decisive step towards institutionalizing sustainability as a cross-cutting policy priority. In the next chapter, we will explore how this legislative environment influences and is influenced by the private sector, with a focus on how businesses and industries act as catalysts for sustainable transformation.

2. The Role of Businesses and Industries

Businesses and industries play a fundamental role in the implementation of sustainability policies. As operational entities and major resource users, they are uniquely positioned to drive the green

transition through innovation, investment, and leadership. In the European context, private sector actors are not merely subjects of regulation; they are co-creators of sustainable development pathways (Austin & Seitanidi, 2012).

Porter and Kramer (2011) introduced the concept of "shared value," which emphasizes the importance of aligning business success with societal progress. This approach has been further developed in the European Union's sustainability agenda, particularly through the Corporate Sustainability Reporting Directive (CSRD), which mandates transparency and social responsibility as core elements of corporate governance.

The influence of businesses is particularly evident in the renewable energy sector, circular economy models, green finance, and sustainable innovation ecosystems. Companies such as Ørsted, Unilever, and IKEA have become global examples of how sustainability can be embedded in core business strategy, not just as corporate social responsibility, but as a competitive advantage (Nidumolu, Prahalad, & Rangaswami, 2009).

The EU supports this transition by incentivizing private investment in green projects through mechanisms such as the InvestEU programme and the EU taxonomy, which guide financial flows toward environmentally sustainable activities. Moreover, the European Innovation Council (EIC) backs high-potential startups with green business models, accelerating the development of climate solutions.

In manufacturing, new industrial strategies emphasize digitalization, resource efficiency, and low-carbon technologies. The "Industry 5.0" concept, promoted by the European Commission, envisions a human-centric, resilient, and sustainable industrial future where industry partners with society to solve grand challenges (European Commission, 2021).

However, as Delmas and Burbano (2011) note, the credibility of business contributions to sustainability depends on the authenticity of their actions and the prevention of greenwashing. Here, regulatory frameworks such as CSRD and international standards like the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) play a crucial role in ensuring accountability.

Collaboration between sectors is also growing, with multi-stakeholder alliances emerging to tackle systemic challenges. Examples include the Fashion Pact, RE100¹, and the Ellen MacArthur Foundation's circular economy initiatives², where private companies work alongside governments and civil society to deliver measurable environmental results.

2.1. Public Participation and Social Implications

Public engagement is crucial for the success of sustainability initiatives. Scholars like Arnstein (1969) and Dryzek (2002) emphasize the role of participatory democracy in environmental policymaking. The EU has introduced various mechanisms to encourage citizen participation, such as:

¹ <https://www.there100.org/>

² <https://www.ellenmacarthurfoundation.org/>

- **The European Climate Pact:** A platform for individuals, organizations, and governments to share best practices and engage in sustainability actions.
- **The Aarhus Convention (1998):** Grants the public rights regarding access to environmental information, public participation in decision-making, and access to justice in environmental matters (UNECE, 1998).
- **Sustainable Consumption Initiatives:** Campaigns and educational programs that raise awareness about responsible consumer behavior and the reduction of carbon footprints.

A socially inclusive transition requires empowering communities and vulnerable populations. The Just Transition Fund, for example, supports territories most affected by the green transition, helping reskill workers, diversify local economies, and invest in clean technologies. This reinforces the idea that environmental sustainability and social equity must go hand in hand (Sachs, 2015).

2.3. Challenges in Implementation

Despite its leadership in sustainability, the EU faces several challenges in achieving its ambitious environmental goals:

- **Economic and Industrial Resistance:** Industries reliant on fossil fuels and high-emission processes face financial and structural difficulties in transitioning to sustainable models (Rockström et al., 2009).
- **Regulatory Enforcement Disparities:** Differences in sustainability adoption among EU member states result in uneven progress and difficulty in policy enforcement (Jordan & Lenschow, 2008).
- **Investment in Green Technologies:** While the EU has committed significant funding to sustainability projects, continuous financial support and private sector investment remain crucial for long-term success (Sachs, 2015).

Moreover, cultural and behavioral barriers can hinder the adoption of sustainable practices, both at the institutional and individual levels. As Jackson (2005) highlights, promoting sustainable lifestyles requires not only policy instruments but also changes in values, norms, and consumption habits.

3. Future Prospects

Looking forward, the European Union is expected to deepen and expand its sustainability strategy through a more integrated, ambitious, and globally aligned agenda. The future of EU sustainability policy will likely emphasize the following priorities:

- **Enhancing Carbon Pricing Mechanisms:** By strengthening the EU Emissions Trading System (ETS) and extending it to new sectors such as maritime transport and buildings, the EU aims to create stronger market incentives for emissions reductions and promote innovation in low-carbon technologies (European Commission, 2021).
- **Expanding Circular Economy Models:** Future initiatives are expected to go beyond waste reduction and focus on the entire lifecycle of products. This includes design for durability, reparability, and recyclability, as well as digital product passports to improve transparency and traceability (European Environment Agency, 2022).

- **Accelerating Green Finance:** The EU will continue to support sustainable finance frameworks, ensuring that environmental, social, and governance (ESG) factors are fully integrated into financial decision-making. This includes the development of EU Green Bonds and the implementation of taxonomy-aligned investment disclosure rules (European Commission, 2022).
- **Strengthening Global Partnerships:** Recognizing that sustainability challenges are inherently transboundary, the EU is expected to reinforce its cooperation with international partners through the Green Deal Diplomacy, capacity-building initiatives, and climate finance commitments to developing countries (UNFCCC, 2022).
- **Fostering Innovation and Digital Transformation:** The synergy between green and digital transitions will be vital in the coming years. Digital technologies such as artificial intelligence, big data, and IoT will enable better resource management, emission tracking, and citizen engagement in sustainability actions (Hepburn et al., 2019).

As noted by Rockström et al. (2009), achieving sustainability requires systemic transformation across economic, social, and political dimensions. This includes a shift from linear to circular thinking, from shareholder to stakeholder governance, and from short-term profit to long-term planetary stewardship.

The EU's commitment to sustainability positions it as a global leader in environmental governance. Through a robust and evolving regulatory framework, active industry participation, and inclusive public engagement, the EU has taken significant steps toward environmental protection and sustainable development.

However, the path to long-term sustainability is ongoing and dynamic. It demands continuous adaptation to emerging challenges such as geopolitical instability, technological disruption, and ecological tipping points. As Sachs (2015) emphasizes, the future depends on our collective ability to align policy, innovation, and values around the principles of justice, resilience, and ecological integrity.

In this context, the European Sustainability Policy serves not only as a roadmap for internal transformation but also as a benchmark for global governance. It exemplifies how integrated policymaking, multi-stakeholder collaboration, and forward-thinking investment can contribute to a just and thriving future for all.

This first part of the guide has examined the evolution of the European Union's sustainability agenda and its influence on legislation, industry, and society. From foundational treaties to the European Green Deal and CSRD, sustainability has become a central pillar of EU policy and action.

Grassroots organizations, in particular, are uniquely positioned to translate these policies into meaningful local impact. By aligning with sustainability principles, they not only respond to regulatory trends but also strengthen community resilience and foster inclusive development.

In the next section, **"ESG and SDGs: Governance and Strategic Alliances"**, we explore how organizations of all types can embrace sustainability as a core value—anchored in governance, partnerships, and long-term purpose.

ESG and SDGs: Governance and Strategic Alliances

1. ESG and SDGs: Governance and Strategic Alliances

The growing pressure for transparency, social responsibility, and effective governance has led companies, governments, and civil society organizations to adopt strategies based on the concept of **Environmental, Social, and Corporate Governance (ESG)**. This concept emerged in the early 2000s as a fundamental criterion for investors and stakeholders to assess companies' sustainability and accountability (Eccles, Ioannou, & Serafeim, 2014).

Over the years, ESG has become a benchmark not only for large corporations but also for small and medium-sized organizations, including **Grassroot Organizations**, which play a vital role in implementing **sustainable projects at the territorial level** (Freeman, 1984).

Parallely, the **Sustainable Development Goals (SDGs)**, defined by the United Nations (UN), provide a framework for various actors to contribute to a fairer and more balanced future (United Nations, 2015). The SDGs consist of 17 interconnected global goals, addressing environmental, economic, and social challenges, promoting a development model that aims to eradicate poverty, protect the planet, and ensure prosperity for all by 2030 (Sachs, 2015).

The intersection between **ESG and SDGs** has gained prominence in the current global landscape, as both share essential principles of **sustainability and corporate responsibility**. Companies that adopt **ESG principles** naturally contribute to the advancement of several **SDGs**, including **SDG 8 (Decent Work and Economic Growth)**, **SDG 12 (Responsible Consumption and Production)**, and **SDG 13 (Climate Action)** (Elkington, 1997). Additionally, the implementation of **good ESG practices within companies** can have a **multiplier effect**, driving **positive changes throughout supply chains** and generating a broader social impact (Porter & Kramer, 2011).

Strategic **alliances between the private sector and Grassroot Organizations** play a crucial role in materializing these objectives. While **the private sector brings scalability, technology, and financial investment**, **community-based organizations provide local knowledge, efficient implementation, and direct engagement with target populations** (Gulati, 1998). These partnerships have been **essential in tackling challenges such as food insecurity, social inclusion, and climate adaptation** (Bocken, de Pauw, Bakker, & van der Grinten, 2016).

This chapter explores **how these partnerships can foster sustainable development and create significant impacts for communities**. Through **case studies and best practice analyses**, it will be possible to understand how the interactions between **ESG and SDGs** are shaping the future of **organizational sustainability**.



For more information on the **ESG and the SDG** click on the link

[United Nations Sustainable Development Goals](#)

2. ESG: Structure and Importance for Organizational Sustainability

The growing concern with **sustainability and corporate responsibility** has driven organizations across all sectors to adopt **Environmental, Social, and Corporate Governance (ESG) principles**. This concept

aims to align strategies and operations with practices that minimize negative impacts while promoting sustainable economic, social, and environmental development. ESG has become a critical criterion for investors, consumers, and regulators, frequently used to assess an organization's performance in relation to social, environmental, and corporate governance issues (Eccles, Ioannou, & Serafeim, 2014).

Companies that adopt ESG principles in a structured manner not only mitigate environmental and social risks, but also enhance their reputation, increase access to sustainable financing, and strengthen their competitive position in the global market. According to Porter and Kramer (2011), integrating sustainability into the business model generates shared value, meaning a balance between economic growth and positive societal impact. Furthermore, companies that demonstrate greater commitment to ESG best practices have been increasingly favored by institutional investors and consumers who prioritize sustainable organizations (Elkington, 1997).

The 2030 Agenda of the United Nations (UN) introduced the Sustainable Development Goals (SDGs) as a set of global targets to guide businesses, governments, and institutions in building a fairer and more balanced future (United Nations, 2015). The SDGs address global challenges such as climate change, social inequality, economic justice, and transparent governance, encouraging organizations to implement innovative solutions that contribute to sustainable global development (Sachs, 2015).

ESG and SDGs are interconnected concepts that promote responsible business practices to generate shared value and positive impact on both the planet and communities. Companies that integrate environmental, social, and corporate governance (ESG) principles into their strategic planning directly contribute to several SDGs, such as:

- **SDG 8 (Decent Work and Economic Growth):** Companies adopting ESG principles seek to improve working conditions and promote an inclusive and sustainable economy.
- **SDG 12 (Responsible Consumption and Production):** The incorporation of circular economy practices and efficient resource management reduces environmental impact and fosters a more sustainable production model (Bocken, de Pauw, Bakker, & van der Grinten, 2016).
- **SDG 13 (Climate Action):** Commitments to carbon neutrality and initiatives to reduce greenhouse gas emissions are crucial to mitigating the effects of climate change (IPCC, 2021).
- **SDG 16 (Peace, Justice, and Strong Institutions):** Responsible corporate governance strengthens transparency, anti-corruption measures, and the promotion of human rights within organizations (Transparency International, 2020).



By integrating ESG with SDGs, companies create a lasting positive impact and ensure their operations align with global sustainability principles. The challenge lies in the effective implementation of these principles, requiring leadership commitment, cultural shifts, and technological innovation to achieve sustainable and measurable results.

Therefore, the intersection between **ESG and SDGs** represents a **strategic pathway** for companies seeking **long-term sustainability, positive impact, and shared value**. The adoption of **ESG practices** should not be seen merely as a **regulatory requirement or a market trend**, but as a **fundamental element** for business resilience and long-term success.

2.1. Environmental Dimension

The **environmental dimension of ESG** focuses on minimizing **environmental damage, conserving resources, and promoting sustainability**. The **climate crisis and resource depletion** push companies and governments toward **long-term sustainable strategies** (Meadows, Randers & Meadows, 2004).

The **ESG framework aligns with the SDGs**, driving the **transition to a green economy** and promoting **global ecosystem protection** (United Nations, 2015; Sachs, 2015).

Key Environmental Initiatives (SDGs)

SDG 6 – Clean Water and Sanitation

- **Water efficiency** through **reuse and recycling systems**, such as **rainwater harvesting** (OECD, 2020).
- **Reduction of water contamination** using **technologies to prevent toxic waste disposal** (WHO, 2022).



SDG 7 – Affordable and Clean Energy

- **Expansion of renewable energy** (solar, wind, biomass) to **replace fossil fuels** (IEA, 2021).
- **Energy efficiency** through **LED lighting, sustainable buildings, and energy storage** (IPCC, 2021).



SDG 12 – Responsible Consumption and Production

- **Circular economy models (cradle to cradle)** to **maximize material reuse** (Geissdoerfer et al., 2017).
- **Reverse logistics** for **product collection, recycling, and reintegration**.



SDG 13 – Climate Action

- **Carbon neutrality** via **reforestation, carbon credits, and CO₂ capture** (IPCC, 2021).
- **Climate resilience** with **adaptive infrastructure and business models**.



By **integrating environmental strategies into ESG**, companies **enhance sustainability, ensure long-term viability, and support global environmental progress**.

 More information at this link [OECD Environmental Policy](#)

2.2. Social Dimension

The social dimension of ESG relates to **equity, human rights, and fair working conditions**. Companies must adopt **inclusive policies** to reduce social inequalities (Raworth, 2017).

Key Social Initiatives (SDGs)

SDG 1 – No Poverty

- Decent job creation through **productive inclusion programs** (World Economic Forum, 2021).
- Financial inclusion via **microcredit and financial education** (Yunus, 2007).



SDG 3 – Good Health and Well-Being

- Healthy work environments with **occupational health programs** and mental health support (WHO, 2022).
- Healthcare access for **vulnerable communities** through corporate partnerships with NGOs.



SDG 4 – Quality Education

- Professional training to improve **labor market preparation** (World Economic Forum, 2021).
- Investment in basic education to support **early childhood learning**.



SDG 5 & SDG 10 – Gender Equality & Reduced Inequalities

- Diversity policies ensuring **equal pay and female leadership** (OECD, 2020).
- Support for female and minority entrepreneurship.



SDG 17 – Partnerships for the Goals

- Corporate-NGO partnerships to expand **social, educational, and healthcare initiatives** (Porter & Kramer, 2011).
- Multi-sector collaborations to **drive systemic change**.



By integrating **social responsibility** into ESG, companies **help reduce inequalities and improve well-being**.

2.3. Governance Dimension

Corporate governance ensures transparency, ethics, and accountability. Strong governance boosts credibility, attracts sustainable investment, and mitigates risks (Eccles & Krzus, 2018). Regulators, investors, and consumers now demand higher governance standards, including transparent audits and reporting (OECD, 2021).

Key Governance Initiatives (SDGs)

SDG 16 – Peace, Justice & Strong Institutions

- Anti-corruption programs, external audits, and compliance frameworks (Transparency International, 2020).
- Data security and privacy through GDPR compliance.
- Whistleblower protection for corporate transparency.



Participatory and Inclusive Governance

- Stakeholder engagement through public consultations and participatory decision-making (Freeman, 1984).
- Board diversity improving decision-making and innovation (McKinsey & Company, 2021).
- Financial transparency through clear corporate disclosures.

Sustainable Reporting Standards

- GRI Standards for ESG impact reporting (GRI, 2021).
- SASB & Integrated Reporting for financial transparency (SASB, 2022).
- ESG ratings guiding sustainable investment decisions.

By incorporating strong governance into ESG, companies enhance trust, ensure compliance, and improve long-term sustainability.

3. Strategic Alliances Between the Private Sector and Grassroot Organizations

Collaboration between companies and community organizations (Grassroot Organizations) is essential for promoting sustainable development, social inclusion, and balanced economic growth. These alliances enable the public and private sectors to work together in addressing complex social and environmental challenges, thereby amplifying positive impacts on local communities (Austin & Seitanidi, 2012).

The intersection between **Environmental, Social, and Governance (ESG)** principles and the **Sustainable Development Goals (SDGs)** strengthens the implementation of sustainable business practices, aligning economic goals with social and environmental objectives. Companies that establish **strategic alliances with NGOs and academic institutions** are able to **develop innovative solutions while simultaneously strengthening their value chains and enhancing their reputation in the market** (Porter & Kramer, 2011).

The following section presents **ESG-SDG partnership models**, demonstrating how these alliances can drive positive and sustainable impacts.

3.1. ESG-SDG Partnership Models

✓ Shared Value (Porter & Kramer, 2011)

The **Shared Value** concept suggests that companies can **simultaneously enhance their competitiveness while generating social and environmental benefits**. This approach enables businesses to **create sustainable supply chains**, positively impacting **communities and consumers**.

- **Example:** Nestlé, through its "*Creating Shared Value*" program, has promoted **sustainable agricultural practices and support for small producers**, contributing to **SDG 12 (Responsible Consumption and Production)** (Nestlé, 2022).



- **Impact:** Companies that adopt the **shared value model** can **increase productivity, reduce regulatory risks, and enhance corporate reputation**.

✓ Impact Investing (Bugg-Levine & Emerson, 2011)

Impact investing refers to **funding initiatives that generate financial returns while achieving positive social and environmental impact**. These investments are made in **startups, community projects, and companies that promote sustainability**.

- **Example:** The **Acumen Fund** invests in **social enterprises focused on clean energy, water access, and education**, contributing to **SDG 7 (Affordable and Clean Energy)** (Acumen, 2021).
- **Impact:** **Sustainable investments** can **drive innovation, foster entrepreneurship, and boost local economies**.

! take a look here: [Acumen Fund - Impact Investing](#)

✓ Sustainability Consortia and Networks (Gulati, 1998)

The creation of **business consortia and sustainability networks** allows **companies, universities, and NGOs** to work together to address **social and environmental issues at both global and local levels**.

- **Example:** The Sustainable Fashion Coalition includes major clothing brands committed to reducing their carbon footprint and textile waste, supporting SDG 13 (Climate Action) (Fashion Pact, 2022).
- **Impact:** Collaborative networks foster innovation, accelerate the adoption of sustainable technologies, and facilitate the sharing of best practices.

✓ Partnerships for Social Inclusion

Many companies form alliances with NGOs and institutions to strengthen social inclusion and reduce inequalities.

- **Example:** Danone developed a partnership model with local organizations to provide healthy and affordable products to vulnerable populations, aligning with SDG 2 (Zero Hunger and Sustainable Agriculture) (Danone, 2022).
- **Impact:** Companies that promote equity and access to essential goods contribute to a fairer and more inclusive economic growth.

By integrating ESG principles with SDG goals, these partnership models enhance sustainable impact and align business strategies with global sustainability efforts

4. Challenges and Solutions in the Implementation of ESG and SDGs

The effective implementation of ESG principles aligned with the Sustainable Development Goals (SDGs) presents a growing challenge for companies and organizations worldwide. The need to adopt sustainable practices, ensure transparency, and demonstrate social and environmental impact requires significant structural and operational transformations. However, many organizations face regulatory, cultural, and financial barriers, making the transition to a sustainable business model a complex process (Fombrun & Shanley, 1990; Eccles, Ioannou, & Serafeim, 2014).

With the advancement of international regulations, such as the Corporate Sustainability Reporting Directive (CSRD) of the European Union, which mandates detailed disclosure of corporate ESG performance, it is crucial for organizations to adopt robust compliance mechanisms and sustainable reporting methodologies (European Commission, 2022).

The following section outlines the most significant challenges in ESG and SDG implementation, as well as effective solutions to overcome these barriers.

4.1. ESG Challenges

Environmental

The environmental dimension of ESG faces obstacles in reducing ecological footprints, climate adaptation, and circular economy transitions:

- **Lack of infrastructure for renewable energy:** High costs and fossil fuel dependency slow the shift to clean energy (IEA, 2021).

- **Difficulties in waste management:** Circular economy adoption is hindered by inadequate infrastructure and lack of incentives (Geissdoerfer et al., 2017).
- **Compliance with environmental regulations:** Stricter laws, like the CSRD, challenge companies without structured compliance frameworks (European Commission, 2022).

Social

The social dimension of ESG involves **equity, inclusion, and fair labor practices**, yet faces resistance:

- **Lack of diversity in companies:** Minority groups and women remain underrepresented in leadership (McKinsey & Company, 2021).
- **Low adherence to fair labor standards:** Many businesses, especially in emerging markets, fail to uphold **decent work principles** (ILO, 2020).

Governance

Effective **corporate governance** ensures **transparency and accountability**, but faces key hurdles:

- **Lack of standardization in ESG reporting:** Inconsistent frameworks make corporate comparisons difficult (GRI, 2021).
- **Corruption and lack of transparency:** Many organizations struggle to uphold **ethical governance** without external oversight (Transparency International, 2020).

Addressing these ESG challenges improves **sustainability performance, regulatory compliance, and long-term value creation**.

4.2. Solutions


 **Compliance with CSRD and Adoption of Standardized Reporting** (European Commission, 2022)
The CSRD imposes **stricter requirements for ESG reporting**, demanding **corporate transparency and accountability**.

- **Example:** Companies that follow **GRI and CSRD reporting standards** can demonstrate their commitment to sustainability in an **objective and structured manner**.

 **Creation of Impact Investment Funds**

Impact investment funds have grown significantly, providing **capital for companies that adopt sustainable solutions and generate positive social impact**.

- **Example:** The **Acumen Fund** has financed **clean energy and water access projects in vulnerable communities**.

 **Education and Training for Community Leadership**

Leadership training is essential to ensure the widespread adoption of ESG practices across various sectors.

- **Proposed solution:** Development of training programs to equip community and business leaders, encouraging a sustainable development approach.

By implementing these solutions, companies and organizations can overcome ESG challenges, enhance sustainability performance, and contribute to long-term global development.

 Click here: [European Commission - CSRD](#)

The adoption of ESG (Environmental, Social, and Governance) principles and the integration of the Sustainable Development Goals (SDGs) as strategic guidelines are essential for companies to become more resilient, innovative, and competitive in the global market. The effective implementation of sustainable practices not only contributes to reducing environmental impacts and promoting social equity but also strengthens corporate governance, enhances business reputation, and attracts investors committed to sustainable business models (Eccles, Ioannou, & Serafeim, 2014).

Partnerships between the private sector and community organizations have proven to be strategic in expanding social and environmental impacts in a lasting way. Companies that establish alliances with academic institutions, NGOs, and local governments can develop more effective solutions to global challenges, such as climate change, social inequality, and the transition to a green economy (Porter & Kramer, 2011).

The increasing global regulation, such as the Corporate Sustainability Reporting Directive (CSRD), imposes new transparency and accountability requirements on companies, encouraging the adoption of sustainable practices and standardized reporting (European Commission, 2022). This trend reinforces the need for organizations to strategically position themselves regarding sustainability, turning regulatory challenges into opportunities to strengthen operations and increase competitiveness.

Given this, it is essential for business leaders and project managers to understand the benefits and strategic advantages of incorporating sustainability into their core corporate decisions. The shift toward a sustainable management model requires cultural changes, investment in innovation, and a collaborative approach. However, the outcomes of this transformation are significant, ensuring lasting competitive advantages, increased brand value, and stronger customer and investor loyalty in sustainability-driven markets.

With this in mind, the next chapter delves deeper into the topic of "Organizational Positioning on Sustainability: Benefits and Advantages", exploring how companies can integrate sustainability into their business models and the long-term positive impacts this strategy can generate.

If sustainability is still perceived as a challenge for many organizations, now is the time to transform it into a competitive advantage, positioning companies strategically for a more resilient and innovative future.

Positioning and Benefits of Sustainability for Local Organizations

1. Organization's Positioning with respect to Sustainability: Benefits and Advantages

Sustainability is no longer a secondary concern but a fundamental pillar in both public and private policy-making. Nowhere is this more evident than within the European Union (EU), where a comprehensive and robust institutional framework has been established to support sustainable development (European Commission, 2019, 2022). The increasing prominence of **Environmental, Social, and Governance (ESG) guidelines** has encouraged organizations of all sizes to adopt sustainable practices (Eccles, Ioannou, & Serafeim, 2014). Among these, **grassroots organizations** stand out due to their **direct impact on local communities** and their ability to respond to community needs with agility and high engagement (Smith, 2011).

Aligning organizational strategies with EU sustainability principles allows these organizations to **amplify their impact** across **environmental, social, and economic** dimensions (Porter & Kramer, 2011; Raworth, 2017). However, despite the potential benefits, many local organizations **face challenges** such as lack of resources, limited governance structures, and difficulties in securing long-term funding.

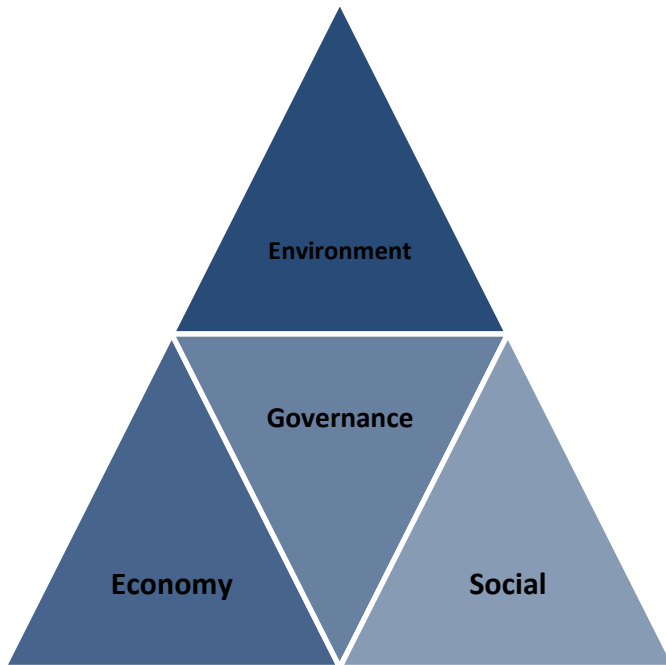
This section will provide a **detailed analysis** of how grassroots organizations can **strengthen their sustainability positioning** and the **concrete benefits** of aligning with EU policies. It will also explore **real-world challenges** and practical solutions that facilitate the transition towards a greener and socially just economy (European Commission, 2019).

2.1. The Concept of Sustainability for Local Organizations

Sustainability goes beyond environmental conservation—it integrates three interdependent dimensions: **environmental, social, and economic** (Elkington, 1997). For **grassroots organizations**, adopting a **holistic approach** is essential, allowing them to **enhance local quality of life** while

contributing to **global goals**, such as the **United Nations Sustainable Development Goals (SDGs)** (United Nations, 2015).

At the core of this framework is **good governance**, which plays a **structural role** in sustainability. According to Ferraz and Roxo (2024), organizations that establish **robust governance models** are more likely to attract **funding, volunteers, and partnerships**, reinforcing their ability to deliver long-



term impact. In grassroots organizations—where social engagement is at the heart of their mission—the **social (S) component of ESG** is especially critical, shaping their ability to advocate for community well-being.

Despite the advantages, many grassroots organizations **struggle with weak governance structures**, prioritizing **immediate operational needs** over long-term sustainability. This lack of structured governance can **erode credibility**, making it harder to secure funding and build long-term collaborations. Donors and stakeholders increasingly expect **transparency, accountability, and stability** before committing resources to an organization.

To overcome these challenges, grassroots organizations should approach sustainability through **three interconnected dimensions**:

1. **Environmental sustainability** – Reducing ecological impact through responsible practices.
2. **Social sustainability** – Promoting inclusion, well-being, and social justice.
3. **Economic sustainability** – Ensuring long-term financial resilience and growth.

Each of these dimensions, when effectively integrated into an organization's governance model, contributes to **lasting, positive change**. In the following sections, we explore these dimensions in more depth, highlighting **real-world examples** and solutions to common obstacles faced by grassroots organizations.

2.2. Benefits and Advantages of Alignment with Sustainability Policies

The adoption of sustainability strategies in Grassroot Organizations strengthens the institutional framework, expands social impact, and enhances credibility, facilitating strategic partnerships with



fundes, governments, and social and hibrid businesses (Porter & Kramer, 2011). Besides improving access to resources, this approach drives innovation, strengthens reputation, and promotes cross-sector collaborations. It also contributes to global agendas, such as the SDGs, and to the implementation of European policies on sustainability and inclusion, despite challenges in their application in community contexts. Next, these considerations are analyzed in seven sections, as shown in the image on the following page.

2.2.1. Access to Funding and Institutional Support



Organizations with efficient management and a sustainable commitment have easier access to public and private funding (Eccles, Ioannou, & Serafeim, 2014).

Grassroot organizations can benefit from grants, public-private partnerships, and ESG funds, which include technical support and mentoring to strengthen projects (Austin & Seitanidi, 2012; Eccles & Krzus, 2018).

In the European Union, the European Green Deal promotes the green transition and provides funds for green innovation, digitalization, and social inclusion (European Commission, 2019, 2022).

To access these resources, impact assessment practices such as Social Return on Investment (SROI) and sustainability reporting (GRI, 2020) are essential to demonstrate concrete results, such as CO₂ reduction and the creation of green jobs.



For instance, Social Value International provides a valuable ROI guide available in multiple European languages, including Italian, Spanish, and Portuguese, which can be downloaded via the following QR CODE³.

Social Value International provides an Excel spreadsheet with a pre-configured value map and automatic formulas to support impact calculation, including guiding notes to facilitate its use

The SROI Value Map is used in analyses with monetary valuation of outcomes, following the Social Return on Investment (SROI) methodology.

It includes formulas to calculate Present Value, Net Present Value (NPV), SROI ratio, and discount rate.

The Value Map (non-SROI) applies to analyses without monetary valuation, using weightings to express the relative importance of outcomes. It does not



³ <https://www.socialvalueint.org/guide-to-sroi>

include formulas for calculating NPV, SROI ratio, or discount rate and can be accessed/downloaded via the following QR CODE⁴.

The private sector is also expanding its participation in socio-environmental projects (Nidumolu, Prahalad, & Rangaswami, 2009), with impact investors and venture philanthropists seeking initiatives aligned with social benefits (Porter & Kramer, 2011).

Grassroot Organizations are ideal partners as they have strong ties with local communities and, in return, receive financial and managerial support.

Additionally, funders encourage the formation of consortia to promote collective solutions (Freeman, 1984; Gulati, 1998).

The use of clear indicators and well-structured reports (Elkington, 1997) strengthens internal governance and institutional credibility.

In the long run, the adoption of sustainable practices ensures financial stability, expands funding opportunities, and enhances political influence (Fombrun & Shanley, 1990).

Aligning with sustainability policies and impact metrics is a competitive advantage that guarantees the longevity and relevance of Grassroot Organizations within their communities.

2.2.2. Strengthening Reputation and Legitimacy



Alignment with sustainability agendas not only brings material benefits but also strengthens the legitimacy of Grassroot Organizations among funders, governments, and communities (Fombrun & Shanley, 1990). Commitment to transparency, social responsibility, and environmental protection generates "reputational capital," expanding strategic partnerships and institutional support, thereby enhancing their impact and effectiveness.

Building this reputation involves practices such as Integrated Reporting (Eccles & Krzus, 2018), which improves communication about goals and sustainability efforts. Additionally, participatory management and community dialogue reinforce stakeholder trust, ensuring that their needs are incorporated into decision-making processes (Freeman, 1984). This engagement legitimizes sustainable initiatives and contributes to their long-term continuity.

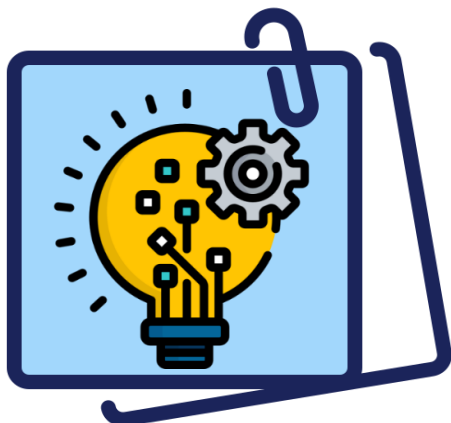
A strong reputation facilitates the integration of organizations into collaborative networks with public and private sectors. In a competitive landscape, being recognized for a commitment to sustainability and governance strengthens fundraising efforts and the establishment of long-term partnerships (Porter & Kramer, 2011).

Moreover, visibility in civil society and the media enhances the political influence of organizations, enabling their active participation in debates and the formulation of environmental and social

⁴ <https://www.socialvalueint.org/sroi-value-map>

policies (European Commission, 2019). This recognition not only strengthens institutional image but also ensures the sustainability and long-term impact of projects.

2.2.3. Innovation and Competitiveness



Although competitiveness is often associated with the business sector, it also applies to the third sector, where organizations compete for funding and strategic partnerships (Nidumolu, Prahalad, & Rangaswami, 2009). For Grassroot Organizations, thriving in this landscape requires sustainable practices and a culture of innovation that encompasses processes, services, and governance models.

The adoption of sustainable practices drives creative solutions to social and environmental challenges, fostering organizational innovation (Porter & Kramer, 2011). This can include environmental education projects, digital tools for impact monitoring, or new resource mobilization strategies.

The goal is to enhance value creation for both the organization and the community. Innovation also means expanding impact with limited resources by adopting collaborative governance models and co-designing services with the community (Freeman, 1984).

This engagement strengthens relationships, increases legitimacy, and facilitates the adoption of solutions by beneficiaries. Moreover, networking with other organizations, the private sector, and public authorities fosters the exchange of experiences and the scalability of initiatives (Gulati, 1998).

Innovation and competitiveness in the third sector are closely linked to the concept of Shared Value (Porter & Kramer, 2011), where Grassroot Organizations do not merely compete for funding but seek differentiators to attract strategic partnerships and impact investments.

The **Shared Value concept** integrates economic growth with social impact, though measuring its outcomes remains a challenge (Porter et al., 2011).

According to the authors, many companies and organizations do not relate financial results to social impact, missing opportunities for innovation. Effective measurement should be iterative and aligned with business strategy, demonstrating how sustainable initiatives drive economic performance. Organizations can create shared value at three levels: product redesign, productivity improvement, and local cluster development (Porter et al., 2011). Practical examples include Coca-Cola, which empowered young people in Brazil through the Coletivo program, Novo Nordisk, which improved diabetes management in China, and Intel, which uses the measurement of the impact of its educational technology to optimize products and expand markets. To ensure the sustainability of shared value, organizations must adopt clear indicators and metrics aligned with social and financial impacts. Transparency in measurement strengthens decision-making and attracts investors, creating a new evaluation model that balances economic growth and positive social impact (Porter et al., 2011).

Despite the challenges inherent in uncertainty and resource limitations (Nidumolu et al., 2009), the combination of innovation, competitiveness, and shared value creates opportunities for institutional growth and long-term partnerships.

More than just generating social impact, this process strengthens organizational resilience and contributes to a more sustainable society. For a deeper understanding of the importance of measuring shared value, the full FSG report can be consulted, available in *Measuring Shared Value*⁵.



2.2.4. Contribution to the Sustainable Development Goals (SDGs)



The UN 2030 Agenda provides opportunities for Grassroot Organizations to expand their social and environmental impact by aligning their actions with a global effort (United Nations, 2015). The 17 Sustainable Development Goals (SDGs) address challenges such as poverty eradication, gender equality, and environmental protection. By aligning with these goals, local organizations strengthen their legitimacy, visibility, and access to new resources.

This alignment facilitates access to international funding, especially from multilateral institutions that prioritize sustainable projects (Sachs, 2015). Governments and international agencies value initiatives that demonstrate measurable impact on issues such as reducing carbon emissions or expanding access to education. Thus, organizations that adopt robust evaluation standards become more competitive in securing funds and strategic partnerships.

Furthermore, the connection with the SDGs positions these entities within global networks of collaboration, promoting the exchange of experiences and best practices (United Nations, 2015). International forums and conferences allow local organizations to learn from and adapt solutions tested in different contexts, optimizing their impact.

To ensure effectiveness, it is essential to adopt performance indicators and impact reporting (Eccles & Krzus, 2018). The European Commission's Corporate Sustainability Reporting Directive (CSRD) requires organizations to report their environmental, social, and governance impacts, enhancing transparency and credibility. Tools such as the Global Reporting Initiative (GRI, 2020) reports and Integrated Reporting serve as competitive differentiators that demonstrate a commitment to sustainability.

By aligning with the SDGs and the CSRD, Grassroot Organizations commit to a long-term strategic role, strengthening their position as key partners of governments and international institutions in creating sustainable solutions for complex challenges. This positioning expands opportunities for funding, political advocacy, and institutional learning.

⁵ https://www.hbs.edu/ris/Publication%20Files/Measuring_Shared_Value_57032487-9e5c-46a1-9bd8-90bd7f1f9cef.pdf

2.2.5. Long-term Sustainability and Resilience



The adoption of sustainable principles is not limited to immediate gains in image or resource mobilization, but strengthens the resilience of Grassroot Organizations in the face of crises and uncertainties (Elkington, 1997). In contexts of political and economic instability, incorporating values such as transparency, socio-environmental responsibility, and community engagement improves adaptability and institutional sustainability.

Organizations with sustainable models, focused on community services or the production of goods with social impact, are less dependent on unstable subsidies and public policies (Porter & Kramer, 2011). Efficient structures and good governance practices enable revenue diversification through partnerships, recurring donations, and structured volunteering, reducing financial vulnerabilities. Furthermore, measuring shared value becomes essential to demonstrate the relationship between social impact and economic performance (Porter, Hills, Pfitzer, Patscheke, & Hawkins, 2011), allowing organizations to optimize their strategies to ensure the sustainability of their projects.

Organizational resilience is also reflected in community engagement. Organizations that engage with the population and involve them in decision-making create natural support networks (Freeman, 1984), strengthening social and political mobilization. This involvement not only ensures support in times of crisis but also legitimizes initiatives, increasing community recognition and boosting adherence to the proposed solutions. Furthermore, according to the Community Engagement Toolkit (SPARC BC), which provides a guide to help municipalities and organizations plan effective community engagement processes, it is structured into five essential stages: community impact assessment, defining the level of engagement, selecting methods, developing the plan, and implementing the strategy. It presents 47 engagement methods, promoting inclusive and accessible processes, which can be accessed/downloaded through the following QR CODE⁶.



Another crucial factor is the anticipation of regulatory and market trends (Nidumolu, Prahalad, & Rangaswami, 2009). In the European context, organizations that monitor legislative changes, such as the European Commission's Corporate Sustainability Reporting Directive (CSRD), can align their transparency and sustainability practices ahead of the enforcement of new standards, ensuring a strategic advantage.

Long-term sustainability depends on balancing the economic, social, and environmental dimensions (Elkington, 1997).

Financial stability ensures autonomy, while community embedding and socio-environmental responsibility legitimize and strengthen the impact of actions. Thus, organizational resilience is not only a competitive differentiator but a natural outcome of organizations that incorporate sustainable values into management and strategic planning.

⁶ <https://www.sparc.bc.ca/wp-content/uploads/2020/11/community-engagement-toolkit.pdf>

2.2.6. Possibility of Political Influence and Public Policy Formulation



The proximity of Grassroot Organizations to local communities makes them essential interlocutors in identifying regional challenges and needs (Smith, 2011). When they adopt sustainable practices, they expand their ability to influence public debates and the formulation of socio-environmental policies, promoting structural changes on issues such as climate justice, social rights, and territorial development. This engagement occurs through sectoral councils, thematic conferences, public consultations, and government partnerships, allowing these organizations to actively participate in decision-making.

Many Grassroot Organizations expand their influence by connecting in national and international networks, forming alliances with entities that share similar goals (Gulati, 1998). Participation in forums such as the European Economic and Social Committee (EESC) and the Committee of the Regions strengthens their political impact and allows for the exchange of innovative solutions.

These connections help scale local initiatives, influence public policies on broader levels, and ensure that best practices are replicated in different contexts. Furthermore, transnational collaboration reinforces the importance of citizen participation in policy formulation and encourages governments to adopt more inclusive and participatory approaches.

The impact of this work is reflected in public policies that are better aligned with local realities. Organizations that collect data and closely monitor socio-economic dynamics contribute to the formulation of more inclusive and sustainable programs (Freeman, 1984).

Areas such as environmental management, urban planning, and social inclusion directly benefit when decisions are based on evidence provided by entities that work directly with the population. Additionally, measurement tools like the Social Return on Investment (SROI) allow for quantifying the social and economic benefits of these initiatives, demonstrating their relevance for community development and influencing public policies based on real impact.

Furthermore, the ability to influence politics strengthens the reputation and legitimacy of Grassroot Organizations (Fombrun & Shanley, 1990).

By demonstrating technical competence and civic commitment, these organizations earn the trust of funders, partners, and the community, increasing their access to resources and strategic collaborations.

In the context of globalization and European integration, the presence of these organizations in transnational networks reinforces the need for joint responses to environmental and social challenges (European Commission, 2019).

In this way, the combination of local action with supra-local coordination amplifies their political influence, ensuring that public policies better reflect the needs of the community and promote long-term social impacts.

2.2.7. Building Collaboration Networks



The formation of collaboration networks is one of the central elements for expanding the reach and effectiveness of Grassroot Organizations, especially in the context of sustainability policies (Gulati, 1998). These networks can manifest at different levels of action — local, regional, national, or even international — and involve diverse actors, such as other non-profit organizations, businesses with socio-environmental responsibility, governments, and research institutions.

By aligning with sustainable principles, community-based organizations become more attractive for strategic partnerships, as they share values and converging goals with potential partners (Austin & Seitanidi, 2012).

From this convergence, opportunities arise:

1. **Knowledge and Resource Sharing:** Collaborative networks provide an environment conducive to the exchange of best practices, social technologies, and innovative solutions. For example, an organization specializing in sustainable agriculture may share planting methods with another working in food security, optimizing resources and reducing operational costs (Gulati, 1998).
2. **Co-creation of Solutions:** Instead of each organization working in isolation to solve similar problems, co-creation allows for the development of integrated projects. This approach helps optimize human and financial resources while enhancing the impact of the results (Freeman, 1984). Networks enable multiple entities to contribute different expertise and perspectives, producing more comprehensive and robust outcomes.
3. **Improved Operational Efficiency:** The formation of consortia or alliances can facilitate economies of scale and reduce costs, whether in hiring services, acquiring materials, or even securing funding (Austin & Seitanidi, 2012). In this way, Grassroot Organizations can significantly increase their capacity to invest in larger projects.
4. **Expansion of Geographic and Thematic Reach:** Collaborative networks allow local organizations to extend beyond their immediate borders, bringing successful practices and methodologies to other regions (Smith, 2011). Similarly, they can bring in external experiences and solutions that enrich local operations, strengthening multicultural exchange and adaptability to different contexts.
5. **Development of Prepared Leadership:** Being part of networks allows managers and members of organizations to acquire skills in negotiation, conflict management, joint strategic planning, and intersectoral communication (Putnam, 2000). These competencies are increasingly essential for addressing complex socio-environmental problems that require systemic approaches and multisectoral cooperation.

In summary, the building of collaboration networks not only expands the impact of sustainable initiatives but also fosters a culture of positive interdependence and mutual learning. As different organizations work together, synergies emerge that enhance social and environmental innovation, contributing to the scaling up of results (Gulati, 1998). Thus, the collaborative approach strengthens

the role of Grassroot Organizations as agents of transformation, while also enhancing collective capacity to address contemporary sustainability challenges.

Final Considerations

As grassroots organizations embrace sustainability in alignment with European Union policies, their strategic role within civil society becomes increasingly significant. This alignment not only facilitates access to resources and strengthens strategic partnerships but also enhances their capacity to influence public policies and drive long-term transformations across social, environmental, and economic dimensions.

A balanced and integrated approach to these dimensions enables organizations to foster genuine sustainable development. Implementing circular economy principles, advocating for social justice, and practicing democratic governance enhance their impact as agents of change. By actively collaborating with governments, businesses, and local communities, these organizations not only expand their reach but also foster innovative and sustainable solutions.

This commitment to sustainability generates tangible benefits, including:

- **Access to new funding and resources**, ensuring greater financial stability;
- **Expansion of collaborative networks**, facilitating knowledge exchange and best practices;
- **Strengthening of organizational structure**, improving governance and institutional credibility;
- **Greater political and social influence**, ensuring that initiatives have systemic and sustainable impact.

To maximize these benefits, it is essential for each organization to critically assess its own sustainability positioning. We, therefore, challenge readers to reflect on the following strategic questions:

1. **What is the impact of my organization on local sustainability, and how does it align with European Union policies?**
2. **How can current practices be improved to more effectively integrate the principles of the circular economy and social justice?**
3. **What operational methodology can my organization adopt to transform sustainability strategies into concrete and measurable actions?**

Beyond these reflections, we present an additional challenge: **evaluate your organization's sustainability positioning using the "Organizational Sustainability Positioning Questionnaire" available in the appendix of this guide.** This tool will provide an objective analysis of strengths and areas for improvement, helping to develop more effective and strategically aligned sustainability initiatives.

To further support the practical implementation of sustainability strategies discussed in this guide, we encourage each organization to explore the **"Operationality E-Manual for Organizational Sustainability"**, a complementary resource focused on the practical application ('know-how') of the strategic concepts ('know-being').

The **"Operationality E-Manual for Organizational Sustainability"** can be accessed via the following QR CODE.



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Appendix

Organizational Sustainability Positioning Questionnaire

Instructions

For each statement, indicate your level of agreement on a Likert scale from 1 to 5, where:

1 = Strongly Disagree

2 = Partially Disagree

3 = Neutral / Not Applicable (na)

4 = Partially Agree

5 = Strongly Agree

At the end, sum the total score to assess the organization's positioning in relation to sustainability.

QUESTIONS	Strongly Disagree	Partially Disagree	Neutral / na	Partially Agree	Strongly Agree
1. The organization's mission clearly reflects a commitment to environmental, social, and economic sustainability .					
2. The organization integrates the Sustainable Development Goals (SDGs) into its strategies and operations.					
3. The organization's stakeholders are regularly consulted and involved in decision-making regarding sustainable practices .					
4. The organization actively participates in initiatives and partnerships focused on sustainability .					
5. Environmental and social impact indicators are used to monitor and adjust the organization's activities.					
6. The organization's communication is transparent , clearly and accessibly promoting its sustainability practices .					
7. Innovation is used as a tool to enhance sustainable practices and outcomes .					
8. The organization diversifies its funding sources to ensure long-term financial sustainability .					
9. Governance practices include the promotion of diversity, inclusion, and transparency at all levels .					
10. The organization actively contributes to the formulation of public policies that promote sustainability .					
11. A formalized strategic plan guides sustainable actions in the short, medium, and long term .					
12. The organization invests in continuous training for employees and volunteers on sustainability topics.					
13. The impact of the organization's actions is periodically evaluated, and results are shared with the community					
14. The organization maintains collaborative networks that strengthen its innovation capacity and impact .					
15. A continuous review process ensures the improvement of the organization's sustainable practices .					

Understanding the Organizational Sustainability Positioning

Questionnaire: Structure and Purpose

1. How to Use the Questionnaire

This questionnaire is designed to **assess the organization's sustainability positioning**, identifying strengths, areas for improvement, and opportunities for strategic development. The insights gained can guide decision-making and enhance sustainability practices.

2. Recommended Applications:

- **Internal Assessment:** Engage the team in completing the questionnaire to critically evaluate the organization's sustainability commitment and identify areas for improvement.
- **Stakeholder Engagement:** Invite external stakeholders (partners, funders, community members) to provide their perspectives, fostering a **diverse and holistic evaluation**.
- **Strategic Planning:** Use the results to define sustainability priorities, set measurable goals, and align strategies with European Union policies.
- **Performance Monitoring:** Reapply the questionnaire periodically to track progress, adjust strategies, and ensure continuous improvement over time.

3. Clusters of Sustainability Assessment

To facilitate interpretation, the **15 questions are grouped into five thematic clusters** that reflect key dimensions of sustainability:

- **Strategy & Commitment to Sustainability** (*Q1, Q2, Q11*)
- Evaluates how well sustainability is embedded in the organization's mission, vision, and strategic planning.

Stakeholder Engagement & Governance (*Q3, Q9, Q10*)

- Assesses the organization's governance structures, stakeholder involvement, and decision-making transparency.

Sustainable Practices & Impact Measurement (*Q4, Q5, Q6, Q13*)

- Measures how effectively the organization implements, monitors, and communicates sustainability actions.

Innovation & Continuous Improvement (*Q7, Q15*)

- Examines the role of innovation in enhancing sustainability practices and fostering long-term progress.

Financial Sustainability & Resource Management (*Q8, Q12, Q14*)

- Analyzes financial resilience, capacity-building efforts, and network collaboration.

By evaluating the organization through these clusters, it becomes easier to **identify specific strengths and target areas for improvement** systematically.

Analysis Grid and Recommendations

Total Score Calculation:

Sum the responses from the 15 statements (minimum: **15**, maximum: **75**).

Score Interpretation:

- **15–30 points (Low Alignment)** – The organization needs to **reassess and restructure its sustainability approach**, ensuring better integration into its mission and operations.
- **31–52 points (Intermediate Level)** – Sustainability is present, but **several areas require improvement** to strengthen governance, impact measurement, and resource mobilization.
- **53–75 points (High Maturity)** – The organization is well-aligned with sustainability principles and **can serve as a reference model for others**.

General Recommendations Based on Results

For Organizations with Low Alignment (15–30 points):

- Revisit **mission and core values** to explicitly incorporate sustainability.
- Seek **training and expert consultancy** on sustainability practices.
- Launch **pilot sustainability initiatives** with clear objectives and measurable impact.

For Organizations at an Intermediate Level (31–52 points):

- **Formalize existing sustainable processes** to enhance structure and efficiency.
- **Expand strategic partnerships** and participate in collaborative sustainability networks.
- Strengthen **sustainability communication and visibility** to engage stakeholders effectively.

For Organizations with High Maturity (53–75 points):

- **Standardize and replicate best practices**, ensuring long-term integration.
- **Increase political and institutional influence** to drive sustainability advocacy.
- Share experiences and **mentor other organizations** to scale sustainability impact.