THE WORDS OF SUSTAINABILITY

Short glossary of terms, acronyms and concepts used in the CSR field

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AA 1000 (Accountability 1000): is a standard for improving the quality of the auditing, accounting and ethical and social reporting processes. The central point of AA1000 is the involvement of the stakeholders in stable and lasting relationships with the company.

Accountability: terms which expresses "being accountable", being responsible for one's decisions and actions and the traceability of that responsibility. The company decides to respond to the choices and actions undertaken, communicating them transparently to the stakeholders.

Added value (also gross product): represents the wealth created overall by the business and distributed to the stakeholders (human resources, financial partners, Government and local entities, members/shareholders, communities) or reinvested into the company (amortizations and profit not distributed).

Bancassurance: cooperation agreement between the banks and insurance companies for the sale of insurance products through the commercial network of the banks.

Best Practice: an action or a project which, because of the methodology of reference, the innovation of the approach or because of the results achieved, can be considered as experience of reference.

Business Ethics: it is a discipline contiguous to philosophical ethics, which studies the relationship between ethical values and economic institutions at various levels of aggregation: macro (market), meso (company) and micro (individual decisions). Business Ethics is a reference for translating into actions and decisions the values declared. In the broad sense, it can be meant as a component of the CSR: a business ethic meant as precondition for a globally rigorous approach, that involves all the resources of the company.

Cause-related Marketing (CRM): CRM is a partnership between a company and a non-profit entity to carry out a social project, at by pursuing at the same time the commercial objectives of the company and the social purposes of the organisation.

CDP (formerly Carbon Disclosure Project): it is a British organisation that provides consulting activities to businesses to measure the greenhouse gas emissions into the atmosphere and the proposed solutions and projects for reducing them.

Code of Ethics: guiding document that defines the lines of conduct of those belong to the organisation towards the stakeholders and clarifies the basic principles that drive the company choices, explaining all the rights and duties and the areas of responsibility that the company undertakes to respect towards them.

Corporate Citizenship: the management of all the relations existing between a company and its context of action whether local, national or global. Assumes the commitment of the organisation to integrate into the overall strategic design the market and socially responsible requirements.

Corporate Giving (direct giving): concept that includes donations and gifts disbursed directly by the company in favour of organisations and initiatives of social and/or environmental utility. In this case the contribution of the company to the organisations and the related projects is basically monetary.

Corporate Governance: it is the form of governance of the company and includes all the relations between the executives, the directors, the shareholders and the other interested parties. The concept also includes the structure through which the objectives of an organisation are assigned and the tools to achieve those objectives and check performance. A modern concept of governance consists in a responsible management not only towards the owners (shareholders), but also towards those with an interest who influence or are influenced by the company activity (the stakeholders).

Corporate Social Responsibility: is defined as the responsibility of the company for the impacts that its business exercises on society. This entails the need to have structures and processes that integrate social and environmental dimension and attention to the ethical aspects within the strategies, the operations and business practices, in close cooperation with the stakeholders, in order: (i) to maximize the creation of shared value, and (ii) to identify, prevent and mitigate possible negative aspects of the company activity.

Corporate welfare: overall term, which in the broad sense expresses all the initiatives of a contractual or unilateral nature by the employer aimed at increasing the well-being of the worker and their family through a different distribution of the remuneration, which can consist both in benefits of a monetary nature and in the provision of services, or a mix of the two solutions.

CSR: see Corporate Social Responsibility.

Delocalization: the shifting of the production to areas that are different from the original production location in order to achieve a competitive advantage.

Disability: limitation or loss (resulting in impairment) of the ability to perform an activity in the manner and to the extent considered normal.

Disclosure: information activity that the companies promote towards the market, voluntarily or by law, to increase the transparency and legitimisation towards the stakeholders.

DJSI (Dow Jones Sustainability Index): reporting and ranking system launched in 1999, which evaluates the sustainability performance of the largest 2,500 listed companies that are part of the Dow Jones Index.

EMAS: acronym for Eco-Management and Audit Scheme, it is a voluntary type environmental and business policy tool, aimed at promoting constant improvements in the environmental efficiency of industrial activities. It was presented in 1993 in the form of a Regulation (761/2001) of the European Communities. The EMAS scheme is coherent and integrated with ISO 14001. The environmental declaration anticipated by EMAS, which is verified by an accredited verifier, reports in a summarised form the commitments assumed by the company.

Environment Report: management and communication told that describes the relationships between the organisation and the environment by assessing the ecological impacts of the commercial activities. Recently it was replaced by the Sustainability Report.

Ethical Finance: the term includes a series of activities and subjects (agencies, banks, funds..) which support a concept of finance different than the traditional one. The initiatives related to it provide the individual saver or investor the possibility of deciding to allocate their personal wealth based on well explained principles and moral values.

GHG (or greenhouse gas) protocol: international reporting tool used by governments and businesses to analyse and measure greenhouse gas emissions. The Scope 1 and Scope 2 parameters refer to the sources of direct emissions while Scope 3 covers all the indirect emissions due to the activity of an organisation.

Global Compact: international initiative of the General Secretariat of the United Nations, which proposes uniting the agencies of the United Nations, international companies, trade unions and civil society in supporting the universally recognised social and environmental principles.

Global Reporting Initiative Standards: conceptual apparatus and practical tool for sustainability reporting, developed by the organisation with the same name which has quickly become one of the most commonly used frameworks globally for non-financial reporting.

Great Place To Work®: world leader dedicated to the study and analysis of the organisational climate to identify its critical points and suggest solutions suitable for improving this variable criticism for the success of the company.

GRI Standards: see Global Reporting Initiative Standards.

Integrated Reporting (financial and non-financial): conceptual tool - and relative document process - based on an integrated vision and a "holistic" perspective of the corporate events, according to which phenomena and elements of a financial and non-financial nature contribute to the creation of value together, to take into account the methods in which an organisation combines the resources to respond to the expectations of the stakeholders from a long-term perspective.

ISO 14001: standard created by the ISO (International Organization for Standardization). The ISO 14001 is a voluntary-type international standard, applicable to all types of companies, which defines how an effective system of environmental management has to be developed (SGA). The ISO 14001 certification, issued by an independent accredited body, demonstrates the actual commitment to minimizing the environmental impact of the processes, products and services and certifies the reliability of the environmental management system applied.

Job Market (internal job market): organisational process that replicates within the corporate perimeter a mechanism of supply and demand of job positions, thanks to which the employees can choose a different career path than the current one. This mechanism favours the allocation of the resources and optimises personal management.

Materiality matrix: it is the methodological tool commonly used in international best practice in which graphic representation is given of the significant topics included in the DNF since they are significant both for the company and its stakeholders. As for sustainability reporting, the material - substantial - aspects are the economic, social and environmental elements which are significantly affected (in a positive or negative way) by the Company and that may have a substantial influence on the decisions and opinions of stakeholders. Accordingly, the materiality analysis takes into consideration both the organisation's point of view and that of the stakeholders.

Materiality (principle of): criterion of importance of a subject or aspect of the company business - incorporated also by the GRI Standards - based on which an organisation must include in the Sustainability Report all the topics which have a significant direct or indirect impact on the ability to create, preserve and improve or, on the contrary, to erode and destroy the social and environmental economic value, both for the business and relative to the stakeholders and the company in the more general sense.

Mission: indicates the "raison d' être " of the company, and identifies the basic objectives, the pre-eminent purposes that it attempts to pursue through its business.

OHSAS 18001: The OHSAS 18001 certification (Occupational Health and Safety Assessment Series) defines the requirements of a Management System of the SSL (Health and Safety of the Workers). These requirements, once implemented by the company, are verified by a qualified Entity which issues the relative Certificate of Conformity.

Organisational Model Italian Legislative Decree 231/2001: it is an organisational and management model provided by the Decree with the same time of 2011, which extends the criminal liability of individuals, for crimes committed in the interest of the organisation, to that organisation on behalf of which the person acted. the adoption of the Model constitutes an exempting circumstance of the liability.

PRI (sometimes UN PRI): see Principles for responsible investment.

Principles for responsible investment: the "Principles for Responsible investment" were drafted and disseminated by the United Nations in order to promote and develop sustainable and responsible investment between institutional investors. Participation in the PRI implies respect and the application of certain key principles, in primis incorporating the ESG (environmental, social and governance) parameters in the financial analysis and in the decision-making processes during the investment phase. Obligations of transparency and reporting on the use of these criteria are also anticipated.

Shareholder: category of those owning an interest represented by the shareholders. In the classic theory of the business, it actually represents the only significant contact for the company and the management that leads it.

Smart Working: implementation method of the subordinated employment relationship established by agreement between the parties, that allows the worker to provide their work without a precise time schedule and/or work place, with advantages for both parties in terms of organisational flexibility and efficiency.

Social Report: management and communication tool that describes the social dimensions of the relationships between the organisation and the stakeholders by integrating their requirements in the strategic choices. Recently it was replaced by the Sustainability Report.

SRI (Socially Responsible Investing): these are the investments that take into account both the economic performance and the social, environmental and ethical criteria.

Stakeholder: originally the term indicated the person who has a stake, who has wagered something, therefore in general the bearer of a defined request. It is the person, group of persons or institution that has an interest in the services or in the success of an organisation (in this case the company). Examples of stakeholders are: customers, shareholders, members, employees, suppliers, competitors, banks, trade unions, communities, local and central public administration. They are subjects that influence and are influenced by the company business and who expect a return. Some groups of stakeholders - called primary - are considered indispensable to the survival of the business.

Stakeholder Engagement: policy of involvement of the stakeholders, thanks to which the business listens and takes responsibility for the requests and needs they express.

Standard Ethics: independent sustainability rating agency, based in London, that in 2001 introduced and "institutional" approach to the rating on Corporate Social Responsibility. It issues the Standard Ethics Rating, a sustainability and governance assessment based on the compliance with the voluntary principles and indications of the United Nations, the Organisation for Economic Co-operation and Development (OECD) and the European Union.

Start-up: emerging type of new business equipped with a temporary and often embryonic organisation, in search of capital and/or organisation and strategic solutions which lead to an undefined theoretical growth.

Sustainability: it is defined as "the ability of an organisation to continuity the activity in the long-term, having taken in due consideration the impacts caused the natural, social and human capital". We speak therefore typically of economic sustainability, social sustainability and environmental sustainability (see also the item Triple Bottom Line).

Sustainability Report: it is the reporting instrument that combines the economic, social and environmental approaches structuring them organically from a perspective of guidance and planning of the company business, in order to improve its performance in the areas indicated. The Sustainability Report is based on the triple bottom line sustainability (ability to generate income, profit and work), social (aptitude for guaranteeing conditions of well-being and growth fairly distributed and respect the human rights of the workers) and environmental (ability to protect the natural resources and the possibility of the ecosystem to absorb and tolerate the impacts) sustainability.

Sustainable Development: theory that integrates economic development with social and environmental development respecting the requirements of the present without compromising the possibilities of future generations.

tCO_2 equivalent: it is the conventional measurement of the emissions produced by a subject and released into the atmosphere. The ton of CO_2 equivalent is a unit of measurement that permits the weighing together of various greenhouse gases with different altering effects on the climate. For example, a ton of methane has an altering potential 21 times greater than CO_2, is calculated as 21 tons of CO_2 equivalent.

Training: it is the activity directed at the transfer and consolidation of knowledge and expertise in the workers (employees and associates). It can be conducted in different ways, which range from the typical classroom interaction, to team work, to distance processes and with different support mediums (books, specific texts, focused computer systems, etc.).

Triple Bottom Line: the "bottom line" is the final line of the financial statement, which in classic economic tradition shows the profits earned. For a CSR and sustainability perspective there are three lines: the performance of the business is measured according to the positive contributions or the negative effects relative to the economic prosperity, the impact on the quality of the environment and the contribution to the growth and development of the company. This expression is often accompanied by "triple P", in which the letter P stands for people, planet, profit.

Value Chain: refers to the entire life cycle of a product or a service of the company, including the supply of raw materials, the production, distribution, usage and recycling and re-use processes of the asset. An approach is all the more sustainable the more it is spread and present along the entire value chain, because it makes it possible to optimize the choices and effectively face the environmental, social and economic problems associated with the company business.

Work-life Balance: concept that indicates the ability - and sometimes emphasizes the need - to balance work (understood as time and energy dedicated to it to satisfy the professional ambition, also in response to organisational constraints and pressures) and private life (family, leisure, entertainment and personal growth).

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