



# **SUSTAINABILITY:**

**the cornerstone for the  
future of the IT sector**

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# THE KEY ROLE OF ESG STRATEGIES IN BUSINESS

Today's investors, consumers, employees, suppliers and other stakeholders are placing demands on organisations of every size to demonstrate clear ESG (environment, social and governance) planning and action. Far from a 'tick in the box' or a 'nice to have', ESG has become a central, critical component of business success.

It can help to look at the components that make up ESG to generate a better understanding of the holistic aim of the model:

- **Environment** focuses on how an organisation minimises its impact on the environment, encompassing its products and services, the supply chain and its operations
- **Social** focuses on the impact of an organisation on wider society and workplace culture, placing emphasis on equality and fairness
- **Governance** refers to the processes of decision-making, reporting, and the logistics of running a business, looking at ethical behaviour and transparency of reporting to stakeholders

Each of these components impacts and influences the other, and the 'ESG' contraction is a useful wrapper to focus leadership minds on simply 'doing business better'.

Specifically, with global warming driving temperatures year on year, according to the 2023 Global Climate Report from NOAA National Centers for Environmental Information, and current policies presently in place around the world are projected to result in about 2.7°C warming above pre-industrial levels,[1] it is clear that Paris Agreement targets to limit global warming to 1.5°C will be difficult to meet. As a result, we are experiencing more and more dramatic weather conditions with catastrophic outcomes. Extreme weather events are ranked as the second-biggest risk facing the world over the next two years, according to the World Economic Forum's Global Risks Report 2023.

At the same time, Diversity and Inclusion are finally making it to the top of the agenda within the workplace with businesses acknowledging the importance of incorporating measures to ensure that more women and minorities are represented through equal and fair workplace practices. Many businesses are expanding their social engagement outside the scope of hiring and the workplace by also giving back to society and investing in initiatives that improve society as a whole tackling disease, homelessness and offering youth more opportunities for the future.

Finally, as technology evolves and businesses take on a more responsible approach to making the world a better place, the role of governance initiatives is increasing, as it becomes evident that without clear ethical guidance it is impossible to make impactful decisions for the future of society and the environment, as well as the business.

## BUSINESSES NEED TO RESPOND TO GROWING CONCERNS

The strategic importance of ESG in the business world reflects the greater focus of society as a whole on environmental and ethical matters. Climate change is a headline concern, as is social justice, diversity and inclusion. People are making considered changes to their own lives and habits, and they want and expect the businesses they interact with to be similarly engaged and responsible.

More than simply shaping individual buying habits, heightened consumer awareness around ESG-related matters is increasing the pressure on all types of business to go above and beyond business as usual.

Transparency around ESG standards and performance is a key part of today's tenders and buying patterns, for example. Businesses are not only tasked with advancing their own ESG operation, they must also work to bring their upstream supplier base along on the ESG journey and to redesign their services and offerings within a sustainable framework.

Specifically, the benefits of making ESG a key part of business practices are enhanced reputation among customers, end clients and prospective talent (especially climate conscious Gen-Z), stronger relationships with stakeholders that see the tangible benefits of long term ethical commitments and improved access to capital, as many funds and investors are increasingly making ESG values a determining factor for their selection of which companies to invest in.

Stakeholders will more gladly be associated with businesses that are able to bring about positive change both for the reputational benefits involved, and for the additional ability virtuous businesses will have of acquiring new clients, visibility on the market and attracting investment which is increasingly conscious of ESG commitments. Both international governments and the increased attention younger generations place on sustainability are helping drive this agenda.

# THE IT SECTOR AND SUSTAINABILITY

Technology is evolving at incredible speed and permeating every aspect of human lives. The WEF (World Economic Forum) believes that digital technologies have the potential to cut global emissions in the three highest-emitting sectors by 20% by 2050. [2]

Tech businesses, specifically, therefore have a key role to play in helping to drive sustainability forward. According to Gartner's Top Strategic Predictions for 2024 and Beyond, although GenAI amplifies energy costs and availability, it can also provide the means to manage the world's increased need for energy with: modernization plans, refactoring plans, testing and validation, and other capabilities.[3]

First and foremost, companies are turning to technology to support them with efforts in reporting and handling large amounts of sustainability related data. But technology can also be harnessed to embrace green software practices, that protect privacy and are fair, transparent, robust and accessible, and improve access to services to underserved minorities, for example by allowing students without Internet access to participate in learning at home directly via their television through NextGen TV applications.

Technology can thus support businesses in making more ethical choices, managing and monitoring the sustainability claims and credentials of suppliers as well as derisking the supply chain from potential involvement in unethical practices with intelligent analysis, predictions and suggestions delivered through GenAI.

Technology also supports medical innovation with new applications that allow for example the development and testing of novel AI-based stratification methods for hereditary diseases. The applications are endless and as the potential of technology continues to expand so does its scope to help businesses deliver their products and services in more sustainable ways, reducing their impact on the environment.

Green coding, for example, is another technology that is emerging as a crucial aspect of sustainable development, highlighting the often-overlooked environmental impact of software development. Green coding refers to the practice of developing software in a way that minimizes its environmental impact by optimizing energy efficiency, reducing resource consumption, and promoting sustainable digital practices. It involves writing efficient code that requires less processing power, optimizing algorithms to reduce energy use, and designing systems that make better use of hardware resources. Green coding also considers factors such as cloud efficiency, reducing data redundancy, and ensuring that legacy software is managed sustainably.

As digital transformation accelerates, innovative software companies have contributed to Sustainable Coding Guidelines aligned with the UN's Agenda 2030 goals, focusing on energy efficiency, social impact, and ethical coding practices. Key recommendations include introducing an energy efficiency classification for software, integrating green coding criteria into education, promoting sustainable software use among end-users, and continuously monitoring existing software for environmental impact. The initiative underscores the need for awareness that coding, while abstract, has tangible impacts on energy consumption and climate change, urging companies to adopt greener development and maintenance practices.



That said, the technology sector is not just an enabler for sustainability but needs to take specific measures to offset its own significant footprint. The information and communications technology (ICT) sector produced only 1.5% of CO<sub>2</sub> in 2007, rising to 4% today and potentially 14% by 2040. As a result, ICT companies need to ensure their sustainability strategies address energy efficiency, servers & coding efficiency, e-waste management, and supply chain sustainability.

## INVESTING IN CREATING A SUSTAINABLE ECO-SYSTEM

Technology businesses are driving progress and as a result they also need to be at the forefront of the sustainability revolution. To support clients and customers with innovation that meets ESG objectives, it's critical for tech businesses to continue to invest in creating relationships with innovative players. This can take the form of joining research consortia which blend the skills and know-how of both commercial players and academia, co-developing pilots with customers and other market players and even creating opportunities and environments in which start-ups with exciting new ideas can mingle and thrive.

Creating and participating in an ecosystem that includes players from academia, research bodies and institutions such as the European Commission for example, is a key way for technology companies to inject progressive environmental and social objectives into societal change. With initiatives that span from conservation to inclusivity, Horizon2020, for example, has been catalyst for many new developments in IT since its creation.

It is the duty of IT business to join the fray and put their skills and resources towards the greater good in these highly innovative environments.

Large consortia of different players have, for example, developed a solution to combat the threat of forest fires and improve forest resilience against climate change or enabled the creation of tools to automate the exchange of information among deaf, hard of hearing and hearing individuals.

# COMMUNICATING ESG VALUES AND INITIATIVES

## INCREASING STAKEHOLDER ENGAGEMENT

Raising awareness among stakeholders about ESG strategy and action is critical and helps create the mindset change that is needed to weave sustainability into every activity, both internal and market-led, driving a virtuous circle of ESG promotion, enactment and innovation.

Positioning ESG initiatives firmly within the corporate ethos, enhances their significance and long-term impact. This holistic approach emphasizes the interconnectedness of ESG efforts with core business operations, demonstrating that sustainability is not just a side project but a fundamental aspect of the company's identity and future direction. As such, it is able to support its clients with technological solutions that fully embody the sustainability objective.

## VIRTUOUS FEEDBACK LOOP

Effective engagement within businesses plays a pivotal role in fostering a virtuous circle of value sharing and creation. By cultivating an open and transparent communication culture, companies can facilitate the exchange of ideas, insights, and feedback among employees at all levels.

This enables the pooling of diverse perspectives and expertise, leading to innovative solutions and continuous improvement. Moreover, by actively soliciting input from employees, companies can instil a sense of ownership and empowerment, motivating individuals to contribute their best efforts towards shared goals. As ideas are shared, acknowledged, and acted upon, employees feel valued and recognized for their contributions, fostering a positive feedback loop where increased engagement and collaboration lead to greater value creation.

Furthermore, effective communication extends beyond internal channels to encompass external stakeholders, including customers, partners, and investors. By transparently sharing information about business practices, performance, and future plans, companies can build trust and credibility with these stakeholders, laying the foundation for mutually beneficial relationships. As trust grows, stakeholders become more willing to invest their resources, whether it be purchasing products and services, entering into partnerships, or providing financial backing. This, in turn, creates additional value for the business, fuelling growth and innovation. As the cycle continues, with increased value sharing and creation, companies can further strengthen their relationships with stakeholders, leading to a virtuous circle of sustained success and prosperity.

# THE FINCONS ESG COMMITMENT

At Fincons, the responsibility we feel towards our people and towards society as a whole is reflected in the ESG policies that are integrated into our business.

We have committed to projects that support the environment and communities near and far, and bolster the professional well-being of our colleagues – a broad range of initiatives which combine together under the ESG banner to help us make a difference.

We take a 360° approach to ESG values and our sustainability policy is at the heart of everything we do and is also achieved thanks to our Sustainability Committee that ensures our values are shared across our international offices and locations, in line with company vision.

Our efforts for the **environment** are declined in different activities, such as monitoring and offsetting CO2 emissions, as well as adopting strategies to reduce them, improving the energy performance of our offices and sourcing certified 100% renewable energy.

An example is our Fincons Future Gateway, our newest building in Bari, Italy, home of the Fincons Group Delivery Centre that meets all the latest requirements when it comes to ecological solutions. From building materials which support a short supply chain, to the highest energy efficiency class using renewable energy sources.



Our social responsibility is reflected in our support to **communities** both near and far through various local and global NGOs and associations as well as to youth sporting associations.

For our **people** we invest in various initiatives that promote work life balance and welfare. We have processes in place to avoid discrimination and promote a culture of inclusion, where everyone is valued for their uniqueness. As a result, over the years, we have been frequently recognized as a top employer.

We follow clearly defined governance guidelines aimed at raising awareness among employees and promoting behaviours such as:

- turning off the computer, lights and other electrical and electronic equipment at the end of the workday;
- improving waste recycling;
- reducing the use of printed paper;
- preferring public transportation and carpooling to decrease the use of private cars and consequently the related CO2 emissions.

We combine these initiatives with certifications, specific policies and by joining international network that confirm our focus on sustainability. Fincons corporate governance is based on a control and prevent system that is also guaranteed by the Group's Organizational Model and Code of Ethics.

## DOING BUSINESS BETTER

These are only a handful of the ESG initiatives and actions we have taken as a business. It's clear that some projects are bigger in scope and organisation than others. The point is that it's critical to identify a strategy that matches company values and objective within an increasingly complex landscape to contribute to ESG progress.

There are two critical factors to keep in mind when developing an ESG strategy. The first is to identify and listen to key stakeholders. Who are they? What do they want to see from you as a business? How do they want to be kept informed?

The second is to communicate ESG progress clearly, transparently and regularly.

Your audience wants to know about the good work that you are doing – so tell them. Communication means tailoring messaging to suit each audience, with a mix of channels considered along with the ability for stakeholders to pose questions and open dialogue. Comms is in fact a two-way process, it is about asking and listening, and moving the discussion forward.

Today, whether driven by regulations, public demand, a desire to go above and beyond, or a combination of all three, ESG is a mainstream business concern. Having a robust ESG strategy - and successfully communicating that strategy – is an essential part of any organisation's toolkit.

# REFERENCES

[1] <https://climateactiontracker.org/global/temperatures/>

[2] <https://initiatives.weforum.org/digital-transformation/digital-and-climate>

[3] [Gartner, Top Strategic Predictions for 2024, Top Strategic Predictions for 2024 and Beyond | Gartner](#)

