

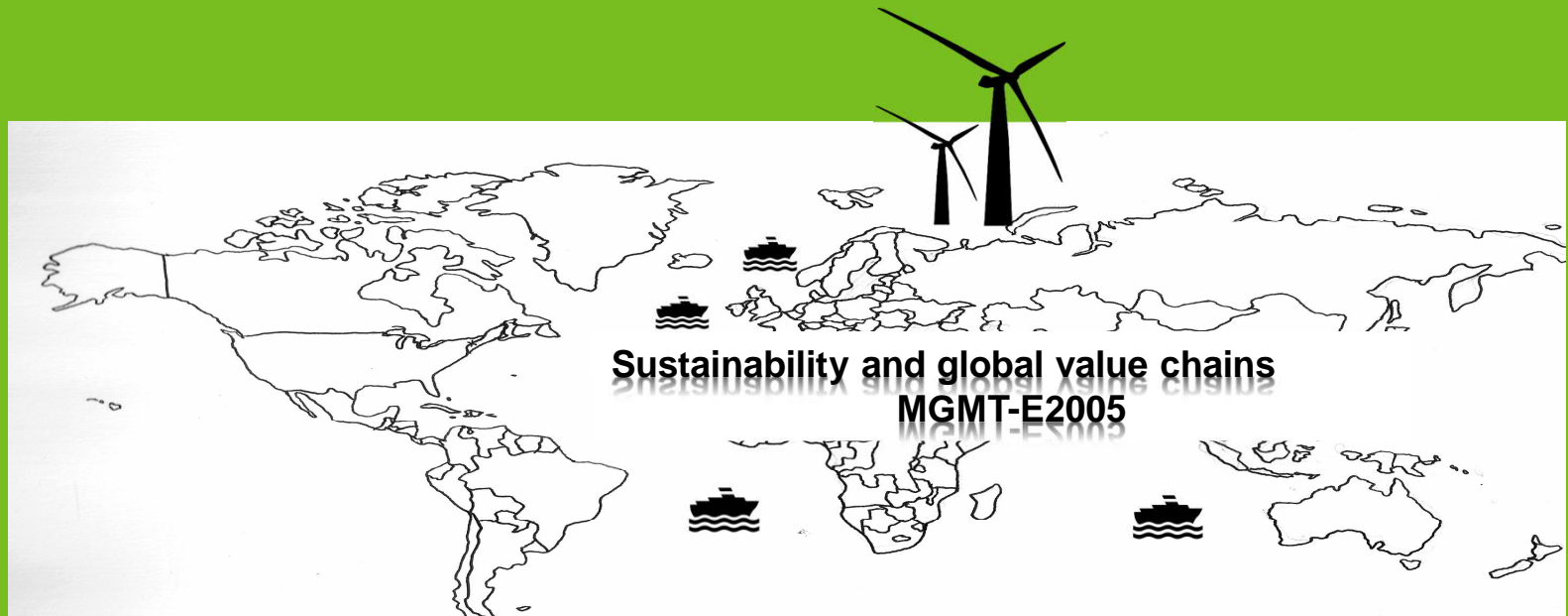
Session 11. Conclusion

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Valentina Arrieta

1.12.2020

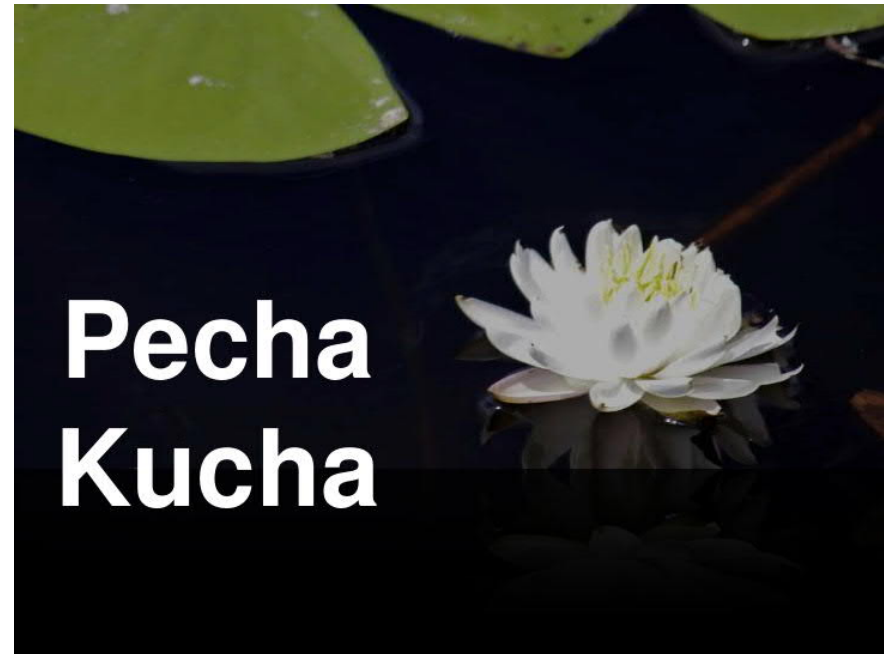


Aalto University
School of Business



Feedback

- Excellent Presentations, great job!
- Grading criteria:
 - Content and analysis (incl. match with the instructions)
 - Organization of the report (structure, style, references)
 - Pecha Kucha presentation



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Our Agenda

1. Course Summary and Discussion
2. Q&As and Course Feedback
3. Excel Workshop II (optional)



Where We Started: A Planet in Crisis and Wind of Change?



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Changing Purpose of Business in Society

“It’s fair, in today in 2020, in the midst of this pandemic, to essentially have a referendum on capitalism... We all have to recognize what is that social core purpose of a corporation.”

— Satya Nadella, CEO, Microsoft,
October 14, 2020



Why sustainability and Global Value Chains?

- The GVC approach is useful for understanding industry transformations to meet sustainability needs
- GVCs shape trade and investment
- Reaching the UN Sustainable Development Goals and the goals of the Paris Climate Agreement depends on the ability to embrace the opportunities and challenges of global value chains

... and the clock is ticking



The Role of MNEs in Upgrading the GVCs

- (1) Economic Upgrading (process upgrading, product upgrading, functional upgrading, and chain or intersectoral upgrading)
- (2) Social upgrading (Barrientos et al., 2011)
- (3) Environmental upgrading (DeMarchi et al., 2013; Della Navarrete et al., 2020)



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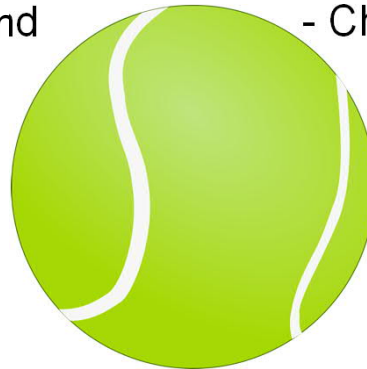
Learning Outcomes

1. Understanding how international firms are integrating sustainability in their strategies and activities

- Multinational enterprises (MNEs), smaller firms, cooperatives and non-profits
- Focus on MNEs' own operations and global value chains

4. Transferable skills:

- Interpersonal: team-work and cultural intelligence
- Cognitive: analysis and synthesis, problem solving, critical thinking
- Analytic tools: Excel
- Communications: academic writing, oral presentation, making brief videos



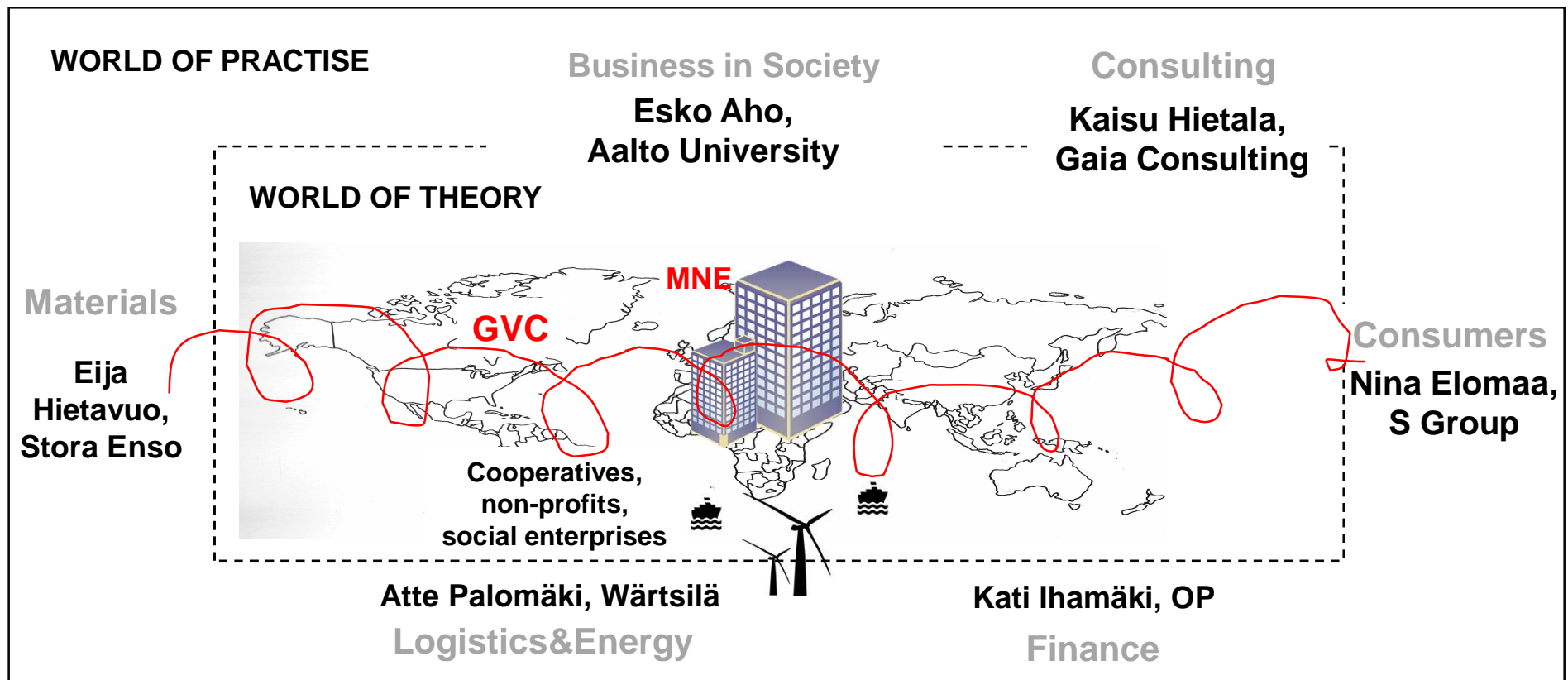
2. Recognizing the influence of contextual factors:

- Diverse institutional and cultural contexts
- Different approaches to sustainability in MNEs (global-local requirements)
- Changing regulations, policies and norms

3. Identifying interdependencies/ opportunities and tensions in achieving

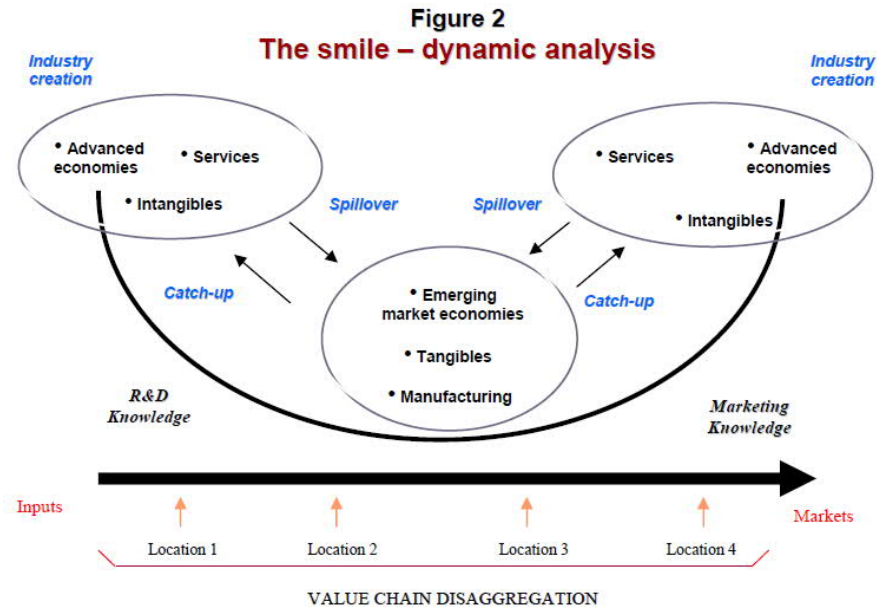
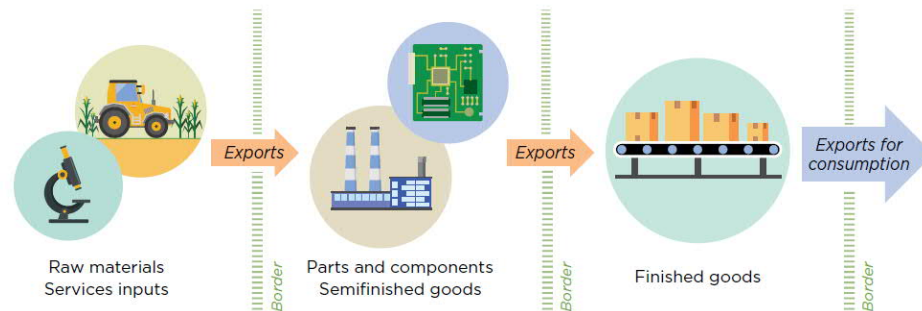
environmental, economic, and social/cultural sustainability (e.g. the UN SDGs)

Bridging the Worlds of Theory and Practise



Topic 1. What Are GVCs?

- Firms specialize in a specific task and do not produce the whole product
- Firms disperse their value chains globally to control costs and leverage capabilities



All countries participate in GVCs but not in the same way!

Case: Vietnam

Case: Samsung

Topic 2. Sustainability & Economic Efficiency

- The role of business in society
- The role of governments in shared value thinking
- The role of trust and conceptual thinking
- Real-life case: The Nokia Bridge restructuring program



Esko Aho

Topic 3. Sustainability Transformations

- From charity and compliance to new business
- Business transformation journeys
 - Be brutally honest
 - It is a journey
 - Know your core
 - Don't reinvent the wheel
 - Go together
 - Every day is a results' day



Kaisa Hietala, Gaia Consulting

Topic 4. MNE

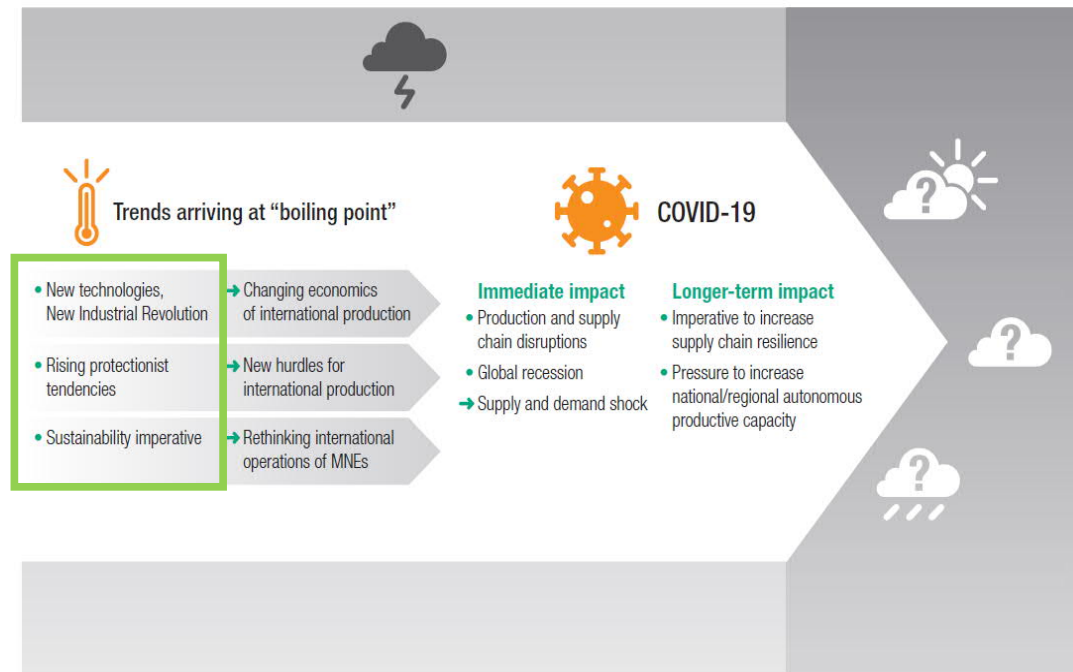
Sustainability Strategy

- **Global, local and transnational sustainability strategy**
 - GI-LR Framework
- **Shared value creation in MNEs**
 - From re-slicing to increasing the pie



Topic 5. Economic Sustainability through the GVC

- COVID-19 is not the only gamechanger for international production
- International trade, investment and global value chains (GVCs) were already entering a period of transformation as a result of several “megatrends”.



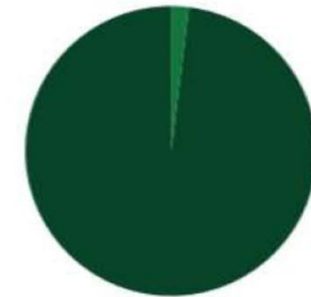
Source: World Investment Report 2020 - International Production Beyond the Pandemic (UNCTAD/WIR/2020)

Topic 6. Sustainable Supply Chains

- **Case S Group**
 - Climate impact of retailing
 - Radical transparency and human rights due diligence
 - Root cause analysis
- **Lecture part:**
 - CDP Supply Chain program
 - Managing GHG emissions, water and minimize risks across supply chains
 - Cascading effect of MNEs
 - The Corporate Human Rights Benchmark

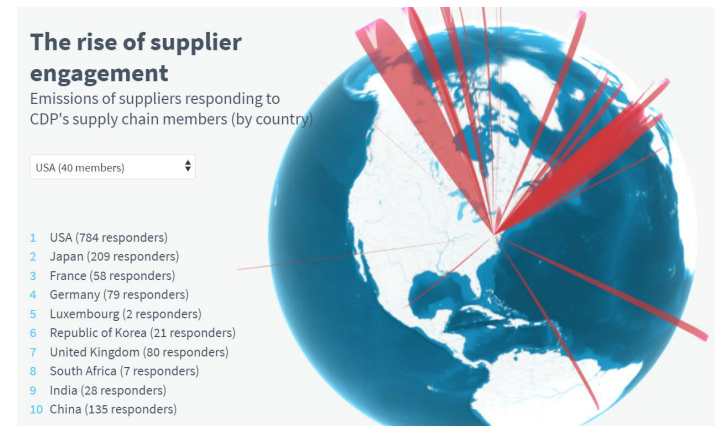


S Group's emissions 2019



Emissions from our own operations (Scope 1 & 2) 2%

Emissions from the value chain (Scope 3) 98%



Topic 7. The Circular Economy in an IB Context



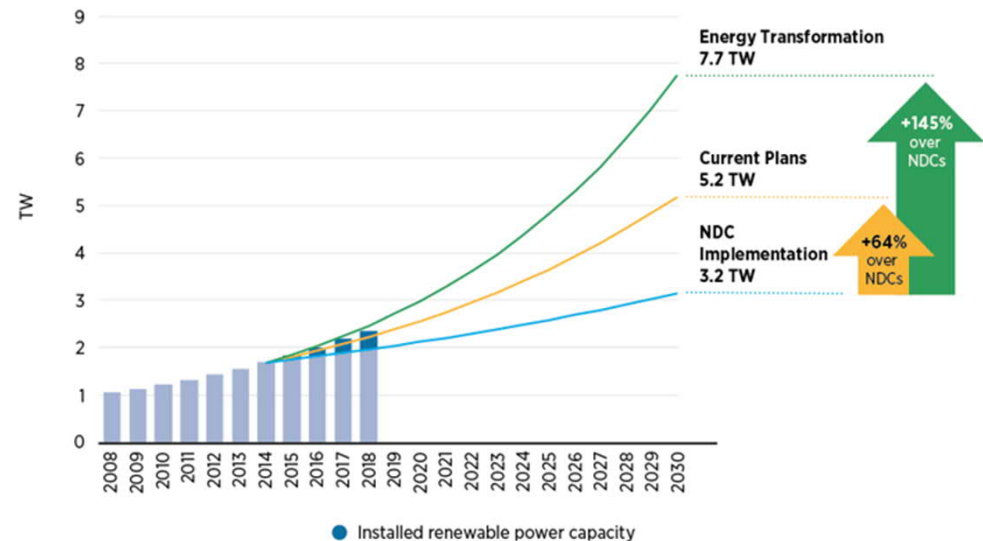
- **Case Stora Enso:**
 - Circular bioeconomy
 - Packaging sustainability
 - The case of McDonald's
- **Lecture part:**
 - The Role of MNEs in driving circularity in GVCs
 - Cross-sector partnerships in GVCs



Topic 8. The Energy Transition and MNEs

- Climate science, IPCC
- What is climate change?
- Sources of renewable energies
- FDI in renewable energy by MNEs
 - FSA-CSA framework
 - Role of investors

Current plans outpace NDC implementation, while both fall short of potential



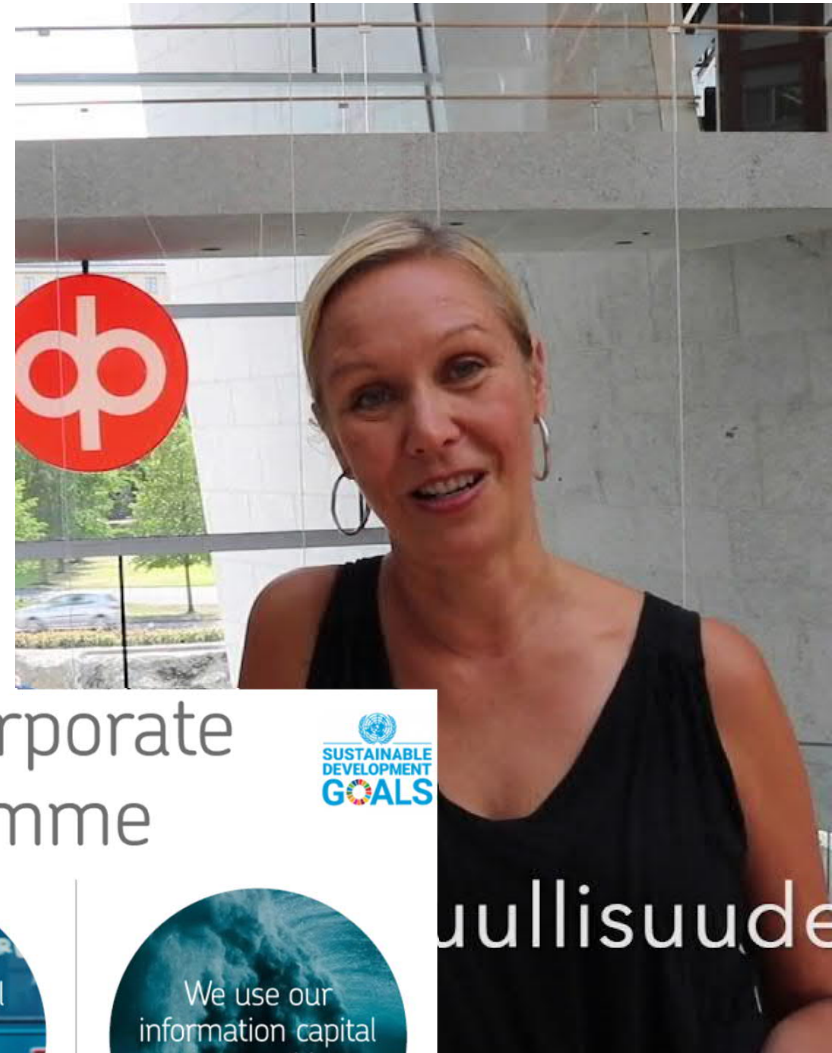
Phasing out fossil fuels in power generation, transportation and buildings is critical



Topic 9. The Role of the Financial Sector in Sustainability

- Climate action, financial literacy, community well-being

OP Financial Group's Corporate Responsibility Programme



Topic 10. Driving Sustainable Shipping and Energy GVCs

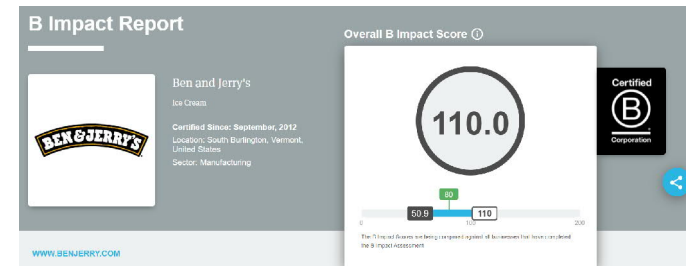
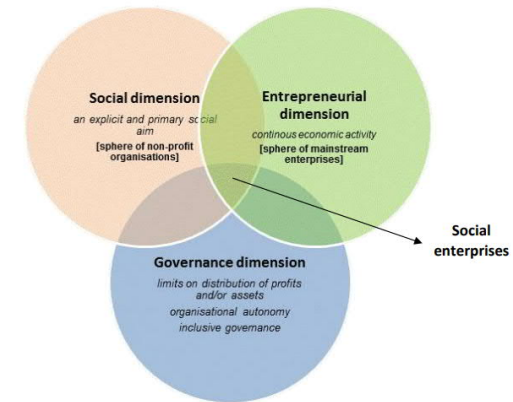


- MNE purpose and strategy driving sustainability, climate commitments
- Sustainable shipping
- Flexible energy systems
- Sustainable business impact levels:
 - Product
 - Solution
 - System



Topic 11. Unconventional GVCs and Purpose-based Strategy

- Social enterprises
- B Corps
- Non-profits & NGOs
- Mini-cases: Guggenheim Foundation and Seabin



Poll 1: Pick Five Most Important (Educating or Interesting) Sessions in this Course

1. What are GVCs?
2. Sustainability and Economic Efficiency (Esko Aho)
3. Sustainability Transformations and MNE Sustainability Strategy (incl. Kaisa Hietala)
4. Economic Sustainability through the GVC
5. Sustainable Supply Chains (incl. Nina Elomaa)
6. The Circular Economy in an IB Context (incl. Eija Hietavuo)
7. The Energy Transition and MNEs
8. The Role of the Financial Sector in Sustainability (Kati Ihamäki)
9. Driving Sustainable Shipping and Energy GVCs (Atte Palomäki)
10. Unconventional GVCs and Purpose-based Strategy

Breakout rooms, 20 minutes after which you will be automatically taken back to the main room



Your tasks:

1. Discuss and document in Flinga
 1. 3 key takeaways from the course (concepts, topics, tools etc.)
 2. Topics that you missed from the course
 3. Any personal reflections (anything you think or do differently)
2. Prepare one-minute oral summary of your discussion



Poll 2: How do you feel now?

1. Excitement
2. Stress
3. Curiosity
4. Loneliness
5. Sense of community

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Q&As and Course Evaluation

Remaining tasks (if not already submitted):

- Excel assignment
- Group report and peer-evaluation of groupwork
- Final paper

Please, answer the course evaluation

- Personal link has been sent to your email



The purpose of the excel assignment is to:

- Improve your excel skills as they are typically needed in the entry positions after graduating from school of business
- Understand how the mobility of operations is examined from a country perspective
- Understand how common it is for companies to move activities between different countries the world is a playground
- Understand that there are a variety of reasons behind decisions to move operations
- Know where you can find a good industrial classification excel (Customs Finland)



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*Special thanks to our wonderful
students &
wishing you much happiness and
success in your future endeavors!*

