Sustainable Organizational Transformation

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Sustainability has become an essential part of business strategies around the world, as companies discover how green approaches strengthen their financial and market positions. Implementing sustainable practices leads to greater profitability by ensuring efficiency and innovation, which reduce costs and create new opportunities. Companies that comply with environmental standards and legislation often go beyond minimum requirements, which brings advantages in reducing risks and building a brand that reflects social responsibility and ethics. Effective planning for sustainable transformation requires a careful assessment of the current situation, setting SMART goals, and developing a strategy that leads to truly sustainable operations. In the following text, we will explore how companies move through the different stages of sustainable transformation, from committing to action to fully integrating sustainability into the core of the business model.

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1 The importance of sustainability in today's business environment

Sustainability has become a crucial factor in today's business environment, as companies and organizations around the world recognize its increasing value and importance. Sustainability is not just a passing trend but a necessity for the long-term success of businesses.

Companies that focus on the sustainability of their operations influence several key areas (see Figure 1):

1. **Profitability**: Sustainable practices can have a positive impact on a company's profitability (Elkington, 1997). Numerous studies have shown that companies investing in sustainability tend to achieve better business performance. This includes resource savings, lower waste management costs, and improved risk management.
2. **Competitive advantage**: Sustainability can provide a competitive advantage (Porter et al., 2011). Companies that are sustainability-oriented are often perceived as more attractive to consumers and investors. This can result in increased market share and access to new capital for continued growth.
3. **Faster adaptation to legislation**: An increasing number of countries are introducing legislation and regulations that promote sustainable practices. This requires companies to comply with environmental standards and shift toward renewable energy sources, which can affect their long-term viability (Hopkins, 2012).
4. **Brand development and strengthening**: Sustainability can contribute to the positive development of a company's brand. Companies committed to sustainability build a reputation as responsible and ethical businesses, which attracts loyal customers and business partners.

Sustainability has thus become an indispensable part of modern business, impacting not only profitability but also the long-term survival and reputation of organizations. The development of sustainable strategies and practices has become a necessary step for successfully navigating today's business environment.

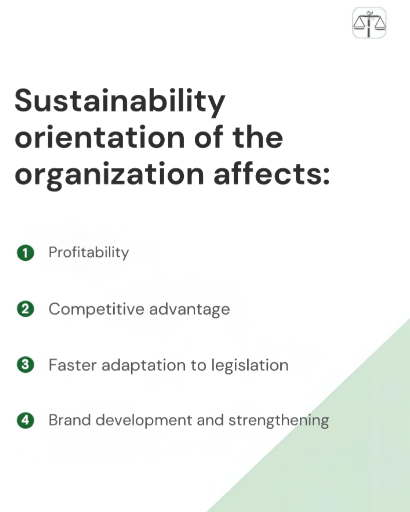

Figure 1: The impact of an organization's sustainability orientation
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1.1 How to start with sustainable corporate transformation?

How should one actually approach and implement the sustainable transformation of a company or organization? Figure 2 presents the essential steps:

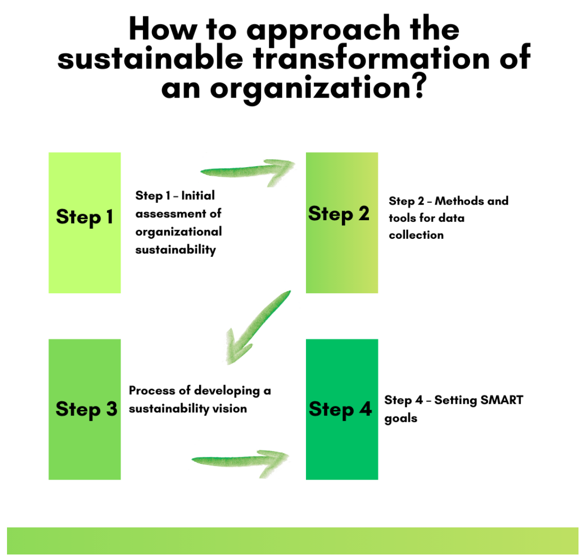

Figure 2: How to tackle sustainable organizational transformation
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1.1.1 Step 1: the importance of an initial assessment of organizational sustainability

An initial organizational sustainability assessment is a crucial step for companies and organizations seeking to achieve their sustainability goals. This process allows organizations to assess their current sustainability status, identify areas for improvement, and develop strategies for sustainable development.

An initial assessment of organizational sustainability helps companies understand where they stand in terms of adopting sustainable practices (Epstein & Roy, 2001). This involves analyzing the current:

- environmental,
- social, and
- economic impacts of their activities.

Awareness of the starting point is key to further developing sustainable strategies.

Based on an initial assessment of the organization, companies can set **clear and achievable goals for sustainable development** (Schaltegger & Wagner, 2011). These goals may include:

- reducing the carbon footprint;
- increasing energy efficiency, or
- improving the working conditions of employees.

An initial assessment of organizational sustainability contributes to building awareness of sustainability issues among employees and management, which enables better alignment and collaboration in implementing sustainable practices (Lozano & Huisingh, 2011).

An initial assessment of organizational sustainability is therefore a crucial first step on the path to sustainable business. It enables organizations to identify their strengths and weaknesses and opportunities for improvement, which is crucial for the long-term successful implementation of sustainability strategies and the achievement of sustainability goals.

1.1.2 Step 2: methods and tools for collecting data on the current state

Collecting data about the current state of the organization is an important step in planning sustainable changes i, and to successfully identify areas for improvement, it is necessary to have accurate and reliable information.

Data collection can be carried out using various tools:

a) **Surveys and questionnaires:** are commonly used tools to collect opinions and information from employees, customers, or other stakeholders in an organization (Dillman et al., 2014). The use of standardized questionnaires allows for easy comparison of responses and data analysis.

b) **By reviewing documentation**: reviewing documents such as internal reports, financial records, and company policies can provide insight into existing practices and outcomes (Yin, 2018). This may also include reviewing legislation and regulations that affect the organization.

c) **Through workshops and interviews**: an organization can conduct workshops or interviews with employees, management, or other stakeholders to gain more detailed information about the current state of the organization and potential challenges (Rubin, & Rubin, 2011). These methods allow for deeper insight and understanding.

d) **By analyzing performance data**: The use of quantitative measures, such as key performance indicators (KPIs), allows for a quantitative assessment of the status quo (Neely, 2005). For example, measuring energy consumption or waste levels can provide a concrete picture.

The use of the appropriate data collection method or tool depends on the specific goals and needs of the organization. A thorough analysis of the current situation is key to creating effective strategies for sustainable development and improvement.

Collecting data on the current state of the organization is therefore the foundation for planning sustainable changes within it. Accurate and reliable information is essential for identifying improvements. Organizations can gather data through surveys and questionnaires, document reviews, workshops, interviews, and analysis of key performance indicators (KPIs). Each method provides distinct insights that are crucial for developing successful sustainability strategies.

Effective data collection and analysis enable organizations to accurately assess their current capabilities and identify areas where sustainable improvements can be achieved, thereby strengthening their sustainable development.

1.1.3 Step 3: the process of creating an organization's sustainable vision

Formulating a sustainability vision is a crucial stage in steering an organization towards sustainable development. This vision defines clear goals, core values, and strategic approaches that will guide the organization towards more responsible and sustainable operations.

The process of capturing:

a) **Understanding the status quo:** the first step in developing a sustainability vision is a thorough understanding of the organization's current situation. This includes an analysis of existing practices, processes, environmental impacts, as well as the social and economic aspects of operations (Schaltegger & Burritt, 2018).

b) **Involving key stakeholders:** the development of a sustainability vision requires the active involvement of all relevant stakeholders, including management, employees, customers, suppliers, and the local community (Figge & Hahn, 2018). Dialogue and collaboration with different groups enable a better understanding of their expectations and needs.

c) **Setting goals:** based on the understanding of the current state of the organization and stakeholder feedback, specific sustainability goals are defined. These goals should be measurable, achievable, and time-bound (SMART goals) (Doran & Ryan, 2017).

d) **Developing a sustainability strategy:** the organization’s sustainability vision serves as the foundation for developing a sustainability strategy. This strategy outlines concrete actions and approaches that will enable the achievement of the defined goals.

e) Monitoring and improvements: the process of developing a sustainability vision does not end with goal setting and strategy development. The organization must continuously monitor its progress, evaluate its achievements, and implement improvements where necessary (Epstein & Buhovac, 2014).

An organization's sustainability vision serves as a guide for the entire organization, directing it towards sustainable operations and a responsible attitude towards the environment and society. With an appropriately implemented process of creating a sustainability vision, an organization can set itself on the path of sustainable development, which brings benefits to both itself and the wider community.

Developing a sustainability vision is therefore essential for guiding an organization toward sustainable development. It involves understanding the status quo, engaging stakeholders, setting SMART goals, developing a sustainability strategy, and ensuring continuous monitoring and improvement. The sustainability vision serves as a foundation for steering organizations toward more responsible operations and a greater contribution to society. A company's sustainability vision is like a compass that guides its journey into the future. It influences not only internal decisions and processes, but also how the company communicates and operates within the broader community – which is vital for achieving sustainability goals and creating a positive impact on both the environment and society.

1.1.4 Step 4: setting SMART goals for sustainability

Setting SMART goals (Specific, Measurable, Attainable, Relevant, Time-bound) is crucial for successfully achieving sustainability efforts in companies. SMART goals provide clarity, focus, and measurability to sustainability efforts:

a) Specific: SMART goals must be specific and well-defined enough to allow employees, partners and stakeholders to understand exactly what the company wants to achieve in terms of sustainability. *An example of a specific goal would be: "Reduce carbon dioxide (CO2) emissions in our logistics network by 20% over the next three years."*

b) Measurable: measurability is key to assessing the progress and effectiveness of sustainability efforts. A logistics company could set a measurable goal, for example: *"Increase transportation asset utilization by 15% by the end of 2026."*

c) **Achievable:** SMART goals should be realistic and achievable, taking into account available resources, technology and capacity. *For example: "Install a more energy-efficient vehicle fleet within the next year."*

d) **Relevant:** objectives should be linked to the organization's strategy and important sustainability challenges. *An example of a relevant objective would be: "Reduce the amount of waste in our warehouses, which will reduce negative environmental impacts and lower waste management costs."*

e) **Time-bound:** goals should have a clear time frame that defines when they should be achieved. *For example: "Reduce energy consumption by 10% across all our distribution centers by the end of 2026."*

Setting SMART goals is the foundation for targeted and effective achievement of sustainable changes in the company. This process contributes to the development of a culture of responsibility and engagement among all employees. In addition, it should be stressed that SMART goals allow the company to not only measure its progress but also communicate with external stakeholders, which strengthens transparency and trust. It is important that these goals are dynamic and adaptable, so that the company can proactively react to changing environmental conditions and technological advances.

Examples of logistics companies:

a) **UPS (United Parcel Service):** UPS set a specific goal to reduce the carbon footprint of its fleet. Their goal was to reduce CO2 emissions by 20% by 2020. The goal was measurable through precise measurements of emissions and kilometers driven. UPS achieved this goal by improving the efficiency of its fleet and using alternative fuel vehicles (UPS, 2020).

b) **DHL:** has set itself an ambitious goal–to become the most sustainable logistics company in the world. The goal is specific, as it focuses on sustainability, measurable - through the use of emission meters and data management. DHL has achieved this goal by switching to electric vehicles, optimizing routes and reducing energy consumption in warehouses (DHL, b.d.).

c) **Maersk Line:** Maersk, one of the world's largest shipping lines, set a goal to reduce CO2 emissions per container kilometer transported by 60% by 2020. This goal was measurable and achievable by switching to more energy-efficient ships and using cleaner fuels (Maersk, 2020).

d) **Amazon:** has set a goal to become a carbon-neutral delivery company by 2040. This goal is specific, measurable and time-bound. To achieve this goal, Amazon has ordered a large number of electric delivery vehicles and has committed to reducing its carbon footprint (Amazon, n.d.).

These examples of logistics companies show how SMART goals lay the foundation for sustainable transformation. Goals are specific, measurable, achievable, relevant and time-bound, which allows for monitoring progress and directing efforts towards sustainable solutions.

2 Four phases of sustainable organizational transformation

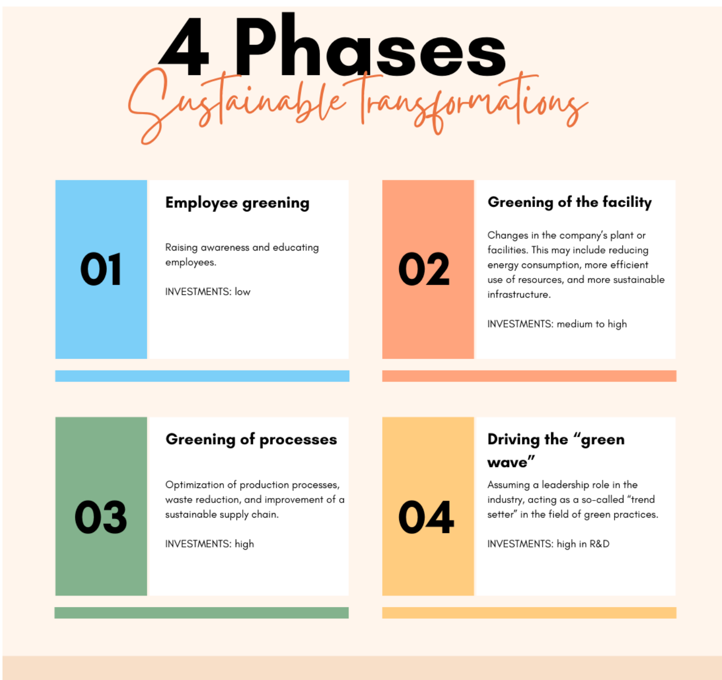

Figure 3: Four phases of sustainable organizational transformation
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Sustainable organizational transformation can be a long-term process involving many steps, with the organization gradually adapting to sustainable practices. The speed and scope of the transformation also depends on the amount of financial resources the organization allocates for it.

Sustainable transformation can be divided into four main phases, which include greening employees, greening the plant, greening processes, and finally, riding the green wave (Figure 3).

2.1 Phase 1: greening employees

The first phase of a sustainable transformation begins with employee awareness and education. The organization focuses on educating its employees about sustainable values and practices and encouraging them to become sustainability ambassadors. It can also simply be a written policy or circular informing/encouraging employees on how to act/behave in the future to operate more sustainably. *Example: The company "XGreen" organized training for its employees on sustainability principles and encouraged employees to share their sustainable ideas for improving the work environment.*

Investment level: At this stage, the main costs are related to educating and raising employee awareness about sustainability. This includes training, communication and awareness costs. *Example: The company "GreenX" invested 50,000 euros in an employee training program on sustainable practices. The result was an increase in employee awareness of sustainability and a 15% reduction in electricity consumption in the first year.*

The employee greening phase therefore refers to the initial step in the process of a company's sustainable transformation, where the emphasis is on raising awareness and educating employees about the importance and practical aspects of sustainability. In this phase, the organization focuses on encouraging employees to understand sustainable values and how they can contribute to environmental responsibility and the sustainable development of the company through their actions. The goal is to encourage employees to become active participants and ambassadors of sustainable initiatives within the company.

2.2 Phase 2: greening of the plant

The next phase focuses on changes to the company's plant or facility. This may include reducing energy consumption, using resources more efficiently, and creating more sustainable infrastructure. *Example: A car manufacturer installed solar panels on the roof of its factory, reducing its dependence on fossil fuels.*

Investment level: In this phase, investments are focused on energy efficiency and renewable energy sources. This includes investments in solar panels, energy-efficient equipment, and environmentally friendly technologies. *Example: The manufacturer "EcoX" invested €500,000 in installing solar panels on the roof of their factory. This allowed them to reduce their dependence on fossil fuel electricity by 40% and save €100,000 per year.*

The greening phase of the facility is the second step in a company's sustainability transformation process, focusing on the physical environment and operational processes. In this phase, companies implement measures to reduce the environmental impact of their operations, such as lowering energy and water consumption, improving resource efficiency, and investing in green infrastructure like solar power plants or waste management systems. The goal is to reduce the company's carbon footprint and create a more sustainable working environment.

2.3 Phase 3: greening of processes

In this phase, the organization examines its business processes and looks for ways to reduce its environmental footprint. This includes optimizing production processes, reducing waste, and improving a sustainable supply chain. *Example: A distribution company switched to electronic documents, thereby reducing paper consumption and CO2 emissions.*

Investment level: this phase requires investments in optimizing production processes, recycling waste, and reducing emissions. This includes investments in more efficient machinery, recycling facilities, and waste treatment. *Example: Distribution company "XEcoL" invested 300,000 euros in switching to electronic documentation. This allowed them to reduce paper consumption by 70% and reduce CO2 emissions by 20%.*

The process greening phase represents a further step in the sustainability transformation, where companies analyze and redesign their business processes to reduce their environmental footprint and enhance social responsibility. This phase involves optimizing production, increasing efficiency, minimizing waste, and improving the overall sustainability performance of the supply chain. The goal is to develop greener and more efficient business processes that not only reduce environmental impact but also bring economic benefits to the company.

At this stage of the transformation, organizations often complement other methods–such as Lean Manufacturing, Six Sigma, Eco-design, Environmental Benchmarking, and Energy Audits–by employing Life Cycle Assessment (LCA). LCA is a methodology used to evaluate the environmental impacts of a product, process, or service throughout its entire life cycle: from raw material extraction, production, and use, to recycling and final disposal. This analysis enables companies to identify areas within their processes where improvements can be made to reduce environmental impact and enhance efficiency.

2.4 Phase 4: riding the green wave

The final stage involves sustainable management of the organization and the use of sustainability principles as a driving force for innovation and growth. It assumes the role of a leader in the industry, the role of the so-called "trend setter", thereby setting an example for others and motivating competitors to imitate.
Example: A large technology company has committed to becoming completely carbon neutral by 2030 and is encouraging others in the industry to do the same.

Investment level: in this phase, the organization commits to sustainable management and continuous improvement. This includes investing in research and development of sustainable products and promoting sustainable practices in all aspects of the business. *Example: Technology company "GreenX" invested €1 million in research into sustainable solutions. As a result, they developed a product that reduces energy consumption in smart devices, which brought them an additional €2 million in revenue in the first year.*

The final phase, "Riding the Green Wave," represents the concluding stage of a company's sustainability transformation process, where the organization not only implements sustainable practices but also actively promotes and integrates them into all aspects of its operations. This is the phase in which the company leverages the full benefits of sustainable business practices, becomes a role model in the industry, and influences its suppliers, partners, and customers to adopt sustainability practices as well. The goal is to create a "green wave" that transcends the company's boundaries and has broader positive effects on the entire industry and society.

Each phase represents a key step in the organization's journey toward sustainability transformation. By properly executing these phases, an organization can achieve better efficiency, reduce its environmental impact, and become sustainability-oriented, bringing long-term benefits to all stakeholders. The level of investment may vary depending on the size and industry of the organization, but sustainable investments are profitable in the long run due to cost reductions and improved organizational reputation.

2.5 A few more examples of introducing concrete measures to achieve sustainable goals in logistics

Implementing concrete actions to achieve sustainability goals in logistics is crucial for organizations seeking to reduce their environmental impact, improve social responsibility, and increase the efficiency of their operations. Here are some more key actions and approaches that organizations can use:

– **Green transport:** replacing existing vehicles with alternative fuel vehicles, such as electric or hydrogen vehicles, can significantly reduce CO2 emissions.

– **Route optimization:** using advanced technologies to optimize transportation routes can reduce travel times, fuel consumption, and emissions.

– **Waste reduction:** implementing recycling and waste reduction programs in logistics operations can help reduce environmental impact.

– **Use of renewable energy sources:** such as solar or wind power plants to supply electricity to logistics facilities, contributes to reducing the carbon footprint (Sarkis et al., 2011).

- **Employee training:** educating employees on sustainable practices and raising awareness of the importance of sustainability can help increase their engagement and involvement in sustainable activities (Seuring & Müller, 2008).

Increasing safety and efficiency: the integration of advanced telematics systems and tracking technologies enables better safety and efficiency of transportation (Kleindorfer et al., 2005).

Implementing these measures requires holistic thinking and an organizational commitment to sustainability goals. With these measures, logistics companies can reduce their ecological footprint, increase efficiency, and create a positive impact on society.

3 The importance of continuous monitoring of sustainability indicators

In today's business environment, where sustainability and environmental and social responsibility are increasingly recognized as key success factors, continuous monitoring of sustainability indicators has become indispensable. This is crucial for organizations striving for the sustainable development of their operations.

Sustainability indicators are metrics that enable organizations to measure and monitor their progress toward sustainability goals. These indicators can include various quantitative and qualitative data, such as greenhouse gas emissions, energy consumption, waste management, social responsibility, and economic performance. Sustainability indicators are essential for assessing how effectively a company is implementing its sustainability strategies and for informing stakeholders about its sustainability performance (Global Reporting Initiative, 2016).

By constantly monitoring sustainability indicators, organizations gain insight into their activities, which in turn enables them to develop.

Assessing progress: by monitoring indicators, organizations can assess how well they are implementing their sustainability goals and strategies. Based on these assessments, they can adjust their actions and strategies and improve their sustainability impact (Eccles et al., 2011).

Transparency: continuous monitoring and publication of sustainability data increases the transparency of the organization. This is crucial for meeting the expectations of customers, investors and other stakeholders regarding sustainable business operations (Porter & Kramer, 2011).

Good-decision making: sustainability indicators provide a basis for better decisions. Based on the collected data, organizations can better understand which actions are most effective and where improvements are needed (Elkington, 1997).

Improving competitiveness: organizations that successfully track sustainability indicators are better prepared for future changes in the business environment. This gives them a competitive advantage (Hart, 1997).

Raising awareness: sustainability indicators raise awareness of sustainability issues both within the organization and among employees and stakeholders. This can contribute to greater engagement and motivation for sustainable action (Kiron et al., 2012).

Compliance with regulatory requirements: more and more countries and regions are implementing legislation requiring monitoring and reporting on sustainability indicators. Ongoing monitoring is key to meeting these requirements (Delmas & Montes-Sancho, 2011).

To successfully monitor sustainability indicators, it is important that organizations use appropriate methods and tools to collect, analyze, and report on sustainability data. In addition, it is necessary to take a consistent approach to integrating sustainability into all aspects of business.

4 Conducting evaluations and assessments for sustainable development

Evaluations and assessments are key steps in achieving sustainable development in an organization. They allow us to measure the effectiveness and efficiency of sustainable practices and identify areas for improvement.

The steps of evaluation and assessment are:

- **determination of measurement indicators:** the first step in the sustainability evaluation is to determine the measurement indicators that will be used to measure the sustainability achievements of the organization. This includes quantitative and qualitative indicators, such as carbon dioxide emissions, water consumption, social responsibility, innovation and other indicators (Luka Koper, 2020);

- **data collection and analysis:** the next step is to collect relevant data for each measurement indicator. This includes business data, sustainability reports, stakeholder surveys, and other sources of information. The data is then analyzed and compared with past results and set goals (Schaltegger & Burritt, 2018);

- **performance assessment:** based on data analysis, an assessment of the organization's performance against its sustainability goals is carried out. This includes assessing the effectiveness of practices and their impact on the environment, society and the economy (Eccles & Krzus, 2010);

- **identifying areas for improvement:** based on the evaluation findings, areas where sustainable practices can be improved are identified. This may include changes in the organization's processes, technologies, policies or strategies (Kurucz et al., 2017);

- **reporting and communication:** the results of evaluations and assessments must be appropriately reported and communicated internally and externally. Transparency and communication are key to meeting stakeholder expectations and building trust (CSR Europe, 2015);

- **upgrading the sustainability plan:** at the end, evaluations and assessments contribute to upgrading the organization's sustainability plan. This means setting new goals, improving practices, and continuously adapting and harmonizing sustainability approaches (Lozano, 2015).

Evaluations and assessments are a key factor in ensuring that an organization remains on a sustainable development path. By properly implementing these processes, an organization can improve its sustainable impact and contribute to better business, social and environmental outcomes.

5 The importance of communicating about sustainability achievements and efforts

Sustainability has become an essential part of the business world, making it crucial for organizations to effectively communicate their sustainability achievements and efforts. With proper communication, organizations can enhance their reputation, build stakeholder trust, and attract consumers who value sustainable practices.

Some key tips for effectively communicating about the sustainability aspects of your organization:

1. Define the message: before you start communicating, you need to clearly define what you want to communicate. Consider your sustainability goals, achievements and efforts and choose the messages that are most relevant to your target audience (Kotler et al., 2019).

2. Use different channels: use different communication channels such as: websites, social media, printed materials and media releases. The right choice of channels will allow you to reach different groups of stakeholders (Du et al., 2010).

3. Stakeholder stories: connect with your stakeholders and tell stories about your sustainability efforts. Using examples and real-life stories can help increase your organization's credibility and visibility (Whelan et al., 2017).

4. Use numbers and statistics: to support your claims about sustainability achievements. Clear data can add authority and persuasiveness to your messages (Hansen & Machin, 2019).

5. Be proactive: instead of waiting for questions or criticism, be proactive in communicating about sustainability issues. This will help you control the debate and shape public opinion (Lyon & Montgomery, 2015).

6. Involve employees: your employees can be a powerful resource for spreading sustainability messages. Involve them in communication activities and empower them to become sustainability ambassadors.

7. Maintain consistency: your sustainability message should be consistent with your organization's sustainability practices. Consistency will prevent confusion and doubt about your intentions.

Communicating sustainability achievements and efforts is key to building reputation and engaging stakeholders. With the right approach, an organization can become recognized as a leader in sustainability practices.

6 The importance of raising awareness of internal and external stakeholders about sustainability

In today's business world, raising awareness among internal and external stakeholders about sustainability has become crucial. Organizations must communicate their sustainable practices, goals, and achievements in order to build reputation, gain trust, and meet the expectations of stakeholders, including employees, customers, suppliers, and the general public (Bansal & Song, 2017).

6.1 Raising awareness of internal stakeholders

Employees: internal stakeholders, such as employees, are an important group that needs to be made aware of the organization's sustainable practices. This is achieved through continuous education, training, and by involving employees in sustainability activities. Example: the organization holds internal training sessions on the environmental impacts of its operations.

Leadership: the organization's leadership must set an example and actively participate in communicating sustainability goals and practices. Example: the CEO publishes a message about sustainability goals in the annual report.

6.2 Raising awareness of external stakeholders

Customers: companies must clearly present their sustainability approaches and products to their customers. This can include labeling sustainable products or services. Example: a food company labels its products with sustainable farming certifications.

Suppliers: communicating with suppliers about sustainability expectations and requirements is key to a sustainable supply chain. Example: A trading company conducts sustainability assessments for its suppliers.

Investitors: investors are increasingly interested in the sustainability aspects of companies. Organizations need to clearly present their sustainability achievements to investors. Example: a company prepares a special report on sustainable financial performance.

Public: organizations must regularly communicate with the general public through media, social networks, and other communication channels. Example: a campaign about the company's carbon footprint reduction.

Raising awareness among internal and external stakeholders is crucial for building trust, understanding, and support for the organization's sustainable practices. It is important that this communication is carried out transparently, consistently, and honestly, as it can lead to the organization's long-term success and sustainable growth (Dias-Sardinha et al., 2021).

7 The importance of recognizing greenwashing in communication.

Greenwashing refers to misleading marketing in which companies falsely present their products, services, or business practices as environmentally friendly, even though they are not. The goal is to create the impression of sustainability and responsibility, even when the actual environmental benefit is inadequate or negligible (Delmas et al., 2011). Below are some examples of what companies should watch out for and how consumers can avoid misleading marketing practices related to greenwashing.

7.1 What should companies be aware of?

Companies must ensure that their sustainability measures are genuine, verifiable, and comply with legislation and ethical standards. Key aspects include:

- **transparency:** clear and accurate communication about environmental efforts and results;
- **supported claims:** all environmental claims must be backed by evidence (e.g., certifications, studies, product life cycle analyses);
- **comprehensiveness of sustainability practices:** companies should not highlight only one sustainability aspect (e.g., recycled packaging) if other practices (e.g., carbon footprint of production) are not environmentally friendly;
- **avoiding vague terms:** terms like "eco-friendly," "green," or "sustainable" should only be used if supported by concrete data;
- **compliance with legislation:** adhering to regulations on misleading advertising and sustainability reporting (e.g., EU directive on non-financial reporting).

7.2 What should consumers be aware of?

Consumers should avoid misleading marketing practices and critically evaluate the green claims made by companies. They should pay attention to:

- **evidence and certifications:** checking if sustainability claims are supported by independent certifications (e.g., EU Ecolabel, Fair Trade, FSC);
- **company integrity:** determining whether the company implements sustainability practices throughout its operations or just for a specific product;
- **following the details:** paying attention to specific and measurable promises, not just general slogans;
- **pitfalls of symbols and colors:** green-colored packaging or logos with natural motifs do not necessarily mean the product is actually sustainable;
- **independent sources:** reviewing evaluations from independent organizations and the company's sustainability reports.

7.3 Bad practices of greenwashing

There are several forms of greenwashing, and some of the most common include:

- **misleading labels and certifications** – using proprietary, unofficial eco-labels without independent verification;
- **highlighting one green attribute while ignoring others** – e.g., a product with eco-friendly packaging but harmful ingredients
- **using vague or unsubstantiated claims** – terms like "100% natural" or "eco-friendly" without evidence;
- **hiding the real impact** – companies promoting one "green" product while the majority of their production significantly harms the environment;
- **incorrect imagery and symbols** – the use of leaves, trees, or green colors to create an impression of sustainability without actual environmental benefits;
- **incomplete information** – companies highlighting the environmental benefits of one aspect while not disclosing the full impact of the product (e.g., electric vehicles, where battery production causes significant environmental harm).

Greenwashing is an increasingly serious issue that undermines consumer trust and hinders genuine sustainable change. Companies should strive for honest and comprehensive sustainability policies, while consumers should remain critical and verify claims. Education, awareness, and regulation are key to preventing these practices and ensuring a truly more sustainable future.

8 Continuous growth and adaptation of the organization to sustainability challenges.

Sustainability, as we've noted several times and as is increasingly recognized by companies and organizations-has become a key focal point in the business world. Organizations understand that sustainability is not a one-time effort, but a continuously evolving process of adapting to sustainability challenges. This requires a sustainability-oriented mindset that develops over time through ongoing efforts for improvement.

Continuously adapting an organization to sustainability challenges involves several key aspects;

Sustainability culture: properly establishing a culture of sustainability within an organization requires persistence and ongoing employee awareness about the importance of sustainability. This is supported by continuous education and training focused on sustainable practices and values (Darnall et al., 2009).

Strategic planning: the organization must continuously review and update its sustainability strategy to respond to evolving environmental and social challenges. Adapting the strategy can help ensure that goals remain relevant and achievable (Hart, 1997).

Innovation: is crucial in addressing sustainability challenges. Organizations must promote innovations that contribute to reducing environmental and social impact. Over time, they must adapt to new technologies and approaches that enable more sustainable operations (Porter & van der Linde, 1995).

Monitoring and reporting: organizations must continuously monitor their sustainability progress and outcomes, and share this data with stakeholders. This ensures accountability and allows for the adjustment of goals and practices when necessary (Epstein & Roy, 2001).

Stakeholder engagement: engaging with various stakeholders, including customers, suppliers, investors, and local communities, is essential for the organization's ongoing adaptation. Considering their perspectives and needs contributes to more sustainable business operations (Freeman et al., 2010)

Organizations that continuously adapt to sustainability challenges will be better prepared for the future and better equipped to address environmental and social issues. Ongoing commitment to sustainability will contribute to the organization's long-term growth and success.

9 Does a company need an ISO standard for a sustainable transformation?

Companies do not need ISO standards, such as ISO 14001, to undertake a sustainable transformation, but these standards can significantly contribute to the effectiveness and credibility of the process. ISO standards provide recognized methods and procedures that are internationally accepted and can serve as a guideline for achieving sustainability goals. Using ISO standards can help companies structure their sustainability efforts, assist in measuring and reporting environmental performance, and improve risk management and legal compliance. Nevertheless, ISO standards are not mandatory, and companies can implement sustainable practices even without them.

ISO standards, such as ISO 14001, which focuses on environmental management, can offer several key benefits to companies aiming to undergo a sustainable transformation:

Framework for improvement: ISO standards provide a clear structure for establishing, implementing, monitoring, and improving environmental management systems.

International recognition: ISO standards are internationally recognized, which enhances credibility and can improve a company's image in the global market.

Legal compliance: they help ensure compliance with environmental laws and regulations, reduce risks, and can lower costs related to fines or legal actions.

Resource efficiency: they promote the efficient management and use of resources, as well as the reduction of waste.

Reduction of environmental footprint: the focus on minimizing negative environmental impacts supports greener business operations.

Competitive advantage: ISO standards can offer a competitive edge in the eyes of customers and partners who value sustainability.

Obtaining and maintaining ISO standards is certainly an advantage that supports a company's sustainability goals, ensures consistency and commitment to improvement, and strengthens its market position. However, as mentioned, it is not a requirement for a company to successfully carry out a sustainable transformation.

10 Conclusion

Sustainable organizational transformation is a long-term process that includes changes in the business model, company culture, processes, and attitude towards the environment and society.

Organizations that choose to undergo a thorough sustainable transformation–a process that typically takes time–often develop new, innovative sustainable business models and invest in green technologies such as electric vehicles, solar power systems, and smart logistics. These organizations also frequently invest in transforming their organizational culture and leadership. There are no quick fixes; however, in the pursuit of faster implementation, organizations may opt for quicker sustainability solutions, such as an immediate switch to electric vehicles for short-distance urban deliveries. Organizations focused on short-term sustainability goals often prioritize rapid actions, such as route optimization and waste reduction. In some cases, companies also collaborate with third-party providers to accelerate the implementation of sustainable solutions and reach their goals more efficiently.

In short, sustainable organizational transformation, one way or another, can always help organizations gain a sustainable competitive advantage and a positive impact on the environment.

Sustainable transformation of an organization is a complex and multidimensional process that goes beyond basic environmental measures and requires a fundamental overhaul of the business model, corporate culture, leadership, and operational processes. It involves a strategic focus on innovation and green technologies–such as renewable energy sources and electric vehicles–as well as the optimization of logistics operations to reduce waste. Organizations that embrace a sustainability mindset can strengthen their market position, gain a competitive advantage, and contribute to the health of the planet and the well-being of society. The ultimate goal of sustainable transformation is not merely to meet short-term targets, but to embed sustainability at the core of business operations–positioning organizations as drivers of innovation, growth, and social responsibility, both locally and, where possible, globally.

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