Paula Nieto Alemán Carla Martínez Climent Arturo Ortigosa Blanch

Case Correos: Forests and CSR line



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There is a teacher's manual intended as a pedagogical complement. It is available to teachers who use this document as teaching material. editorial@esic.edu



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Paula Nieto Alemán, Carla Martínez Climent and Arturo Ortigosa Blanch

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1. Introduction	10
2. Environment, framework of the case	11
3. Description of the problem	16
4. Complications of the problem	17
5. Questions of the case	19
5. References	19
Annex 1. Number of packaging units sold under Forests Line,	
PRICE AND REVENUE PER YEAR	20



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Arturo Ortigosa Blanch

He graduated in Physics in 1999 from the University of Valencia and received his PhD in 2002 from the University of Bath (UK). Between 1999 and 2008 he combined teaching and research in the field of optics and photonics both in the UK and at the University of Valencia and the Polytechnic University of Valencia. In 2009 he began his work as director of the Fundación de la Comunitat Valenciana para la Innovación Urbana y la Economía del Conocimiento - FIVEC and later as director of Innovation of the Fundación en la Comunitat Valenciana para la Promoción Estratégica, el Desarrollo y la Innovación Urbana - InnDEA Valencia. In 2013 he joined ESIC Business & Marketing School Valencia as a teacher and researcher and since then he has been responsible for the entrepreneurship support programme, ESIC Emprendedores. Currently, he coordinates the Communication, Entrepreneurship and Innovation Research Group - CEIN and is part of the SDGs Laboratory of the Generalitat Valenciana, whose objective is to evaluate the implementation of the SGDs in Valencian companies and the development of actions to promote social transformation in companies

Original case by professors **Paula Nieto Alemán, Carla Martínez Climent** and **Arturo Ortigosa Blanch**. Developed as a basis for class discussion and notas an illustrative example of effective or ineffective management of an administrative situation. The data used in this case are based on public information about the company, obtained through its website and other sources of information and complemented with information obtained inpersonal interviews. The characters and situations expressed are fictitious, except for public statements.

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Isabel González Enri is looking forward to meeting with the external consultants to the postal board. Isabel is a person that people trust when it comes to making decisions. This is mainly due to her dedication and her ability to listen. In addition, Isabel is a person who takes a broad view of organisational issues, considering how her decisions may affect the different departments of the company.

Her work colleagues, studies and friends describe her as someone who has a definite purpose. That is why it came as no surprise to those close to her when she received a call that spring morning telling her that she had been chosen to lead Corporate Social Responsibility (CSR) at Correos. Accepting such a position could be one of those life-changing decisions. In Isabel's case, it was in line with her aspirations, as she had been working with determination for years on projects that would add value to the company's different stakeholders.

Ten years have passed since that call, and Isabel has managed to create a team of proactive, innovative people with a strong vocation. They have developed policies together with business strategy management to adapt Correos' practices to an ever-changing environment. They have a clear focus: their intention has always been to work for the common good, i.e. to offer a socially responsible, environmentally sustainable and economically viable public courier and parcel service. To achieve this, they had to integrate the whole company and create a corporate culture based on the ideas of progress and social innovation.

One of the most revealing projects in which they are involved is that of "Forests Line". This is an initiative to market sustainable packaging and, in



addition, the company donates a percentage of the unit sale price to projects with a positive environmental impact (see Figure 1). This project emerged from a brainstorming meeting of the marketing and CSR teams, where they decided on the best way to implement it.

Recyclable packaging with Sustainable transport Individual action / Consumer aware of rtification + his responsibility Up to 5 cents from the sale of this packaging is used to finance projects to prevent fires, preserve biodiversity and combat climate change. **Correos Forest** A. * A. A O 1 96.000 trees + 20 years 20 forests 273 ha Contributes to the SDGs: Climate Action, Responsible Consumption and Production, and Partnerships for Achieving the Goals.

FIGURE 1
FORESTS LINE

Source: Own elaboration based on the Integrated Annual Report (2020).

A couple of days ago Francisco Murrieta, the marketing director, and Isabel met to review the objectives that had been set from the beginning and their degree of fulfilment. They realised that, after so much effort put into responsible initiatives, sustainability was not at the top of the minds of citizens and consumers when they thought of Correos.

1. Introduction

In a scenario in which inefficient companies bring with them high social costs, due to the misuse of natural resources, arbitrary pricing, and the poor quality of their products and/or services, their future is perceived to be increasingly compromised. With globalisation, such a context has disappeared, and companies had to become increasingly competitive, with a greater focus on the social environment of organisations. In this sense, their transformation has been rapid, with the adaptation of new technologies and the revision of their organisational structure and culture. Isabel has always been aware of this and, from the very beginning, it was clear to her that Correos should pursue a triple bottom line focused on the respect for social and environmental impacts, as well as financial performance.



For this reason, its model is framed within the perspective of CSR and triple impact. Correos has taken a contemporary approach, as it analyses the creation of a responsible business from the perspective of social innovation. The Correos Forests Line offers a responsible consumption alternative to its customers with fully recyclable packaging and certified sustainable management.

It should not be forgotten that CSR goes beyond the organisation itself and is as important as economic performance. While the jobs that companies create are a fundamental pillar of employees' lives, the energy and raw materials we consume also change the sustainability of the planet.

2. Environment, framework of the case

Could we imagine the world without postal mail? Since the beginning of time, civilisations have found different ways to communicate. The Egyptians (2400 BC), for example, had messengers who travelled around the territory to send decrees. Communication promoted trading and led to globalisation. In the late 20th and early 21st centuries, the world's postal services belonged to the old economy. This new era brought transformational challenges for the sector, which had to incorporate new information and communication technologies. Email, for example, has disrupted traditional mail. In the second decade of the 21st century, the global volume of e-mail far exceeded the global volume of traditional mail. Between 2014 and 2019, the number of emails received and sent per day worldwide grew by 20 per cent, some 196.3 billion and 236.5 billion respectively (Statista, 2021).

Francisco is well aware that the rise of e-commerce and the globalisation of the e-commerce industry has changed the paradigm. Internet shopping has led to the transformation and adaptation of the parcels and packaging business. Specifically, according to figures from the United Nations Conference on Trade and Development (UNCTAD), ecommerce in 2019 reached 24.6 billion euros equivalent to 30% of global GDP. This figure includes both business-to-business (B2B) and business-to-consumer (B2C) trade.

The pandemic has also accelerated online sales. Spain is in tenth place among the top countries with e-commerce sales, almost equal with Australia, which is in the ninth place. This accounted for 25% of total e-commerce sales as a share of GDP. B2C e-commerce sales accounted for 18% of the total (UCTAD, 2022).

Overall, the turnover of postal and courier activities in Spain has grown by 19.5% between 2010 and 2019 (INE, 2022). At a local level it has decreased by 8.6%, while at the national level the increase was 34.8% and at the international level postal and courier activities have fallen by 15.6%.

On the other hand, with regard to the environment, the pandemic and the rise of e-commerce have had a major impact on our environment. In May 2021, the AEMET recorded the record number of cumulative CO2 emissions except for the decrease in activity forced by the pandemic (AEMET, 2021). Online shopping has generated a large environmental impact, emissions from delivery and packaging consumption have increased. Of online shopping, it is the packaging, followed by shipping, that generates the most CO2 emissions. Express delivery is the biggest polluter, with twice as much pollution (MIT, 2020). The most common packaging