

# ESG AND VALUE CREATION IN AIR TRANSPORT COMPANIES: THE CASE HISTORY OF GEASAR S.P.A (OLBIA COSTA SMERALDA AIRPORT)

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## Abstract

This study focuses on integrating ESG (Environmental, Social, and Governance) criteria into the business model of Geasar S.p.A., the management company of Olbia Costa Smeralda Airport. The aim is to analyse how these practices can contribute to the creation of sustainable value and affect the company's competitive positioning, in fact responding to the RQ: *How can the integration of ESG criteria enhance the value creation model for an airport while strengthening its strategic positioning/competitive advantage?* The analysis combines the study of company documents, sustainability reports and empirical data, to assess the impact of the ESG approach on the company's economic performance, reputation, and brand identity. Preliminary results show that integrating ESG criteria not only supports the improvement of financial performance but also strengthens stakeholder trust, contributing to Geasar's resilience and long-term success. In addition, a strong alignment between purpose, mission and corporate vision is essential in achieving sustainable competitive advantages in an increasingly sustainability-conscious context.

**Keywords:** ESG, Value Creation, Competitiveness, Sustainability, Airport Industry

## Research Strands

The growing focus on ESG criteria in the corporate context has prompted numerous studies to explore the implications of these practices on value creation. Research such as that of Orlitzky et al. (2003) has shown a positive correlation between the adoption of sustainable practices and the financial performance of firms, suggesting that Corporate Social Responsibility (CSR) can improve accounting indicators and market reputation. Subsequently, more recent studies, such as those conducted by Coelho et al. (2023), have confirmed that companies with high ESG scores tend to achieve better financial performance and higher investor retention. In parallel, the literature has also explored how the alignment between corporate purpose and ESG practices can generate tangible benefits, not only in economic terms but also in terms of reputation and brand image. The "Shared Value" theory by Porter and Kramer (2011) proposes that companies can create economic value by addressing social problems and integrating sustainability strategies into the company's core business. In this context, the alignment between purpose, mission and vision plays a crucial role in outlining the strategic direction of an organization, ensuring that the inspiring objectives are consistent with operational actions. This alignment process explicates the interrelationships between the various elements of organizational strategy, helping to create an integrated system in which purpose and vision cohesively guide business decisions and initiatives. Such

strategic coherence is critical for long-term success, as it fosters a shared commitment to the realization of the corporate mission, strengthening competitiveness and organizational resilience (Semler, 1997). This study contributes to these lines of research by analysing a specific case in a regional context, that of Geasar S.p.A., demonstrating how integrating ESG criteria can generate sustainable value and strengthen the company's competitive positioning in the airport industry.

### Methodology

The methodology adopted in this study follows a mixed research approach, divided into two main phases: desk analysis and empirical data collection.

1. **Document Analysis:** The first phase involved an in-depth analysis of Geasar S.p.A.'s corporate documents, including annual financial statements, sustainability reports, operational reports and strategic plans. The goal was to identify the ESG practices implemented by the company and assess how these are integrated into the business model. Particular attention was given to documentation regarding investments in environmental, social and economic sustainability, as well as corporate communication policies relating to stakeholders.
2. **Participatory Analysis and Empirical Data Collection:** The second phase of the research process involved an observation activity in the preparation and collection of empirical data as a function of participation in audits conducted by external agencies, focused on level 3 "Optimisation" of the "Airport Carbon Accreditation" of ACI Europe, focused on the reduction and sustainable management of air emissions. At the same time, a draft of the Stakeholder Engagement Plan was drawn up to involve stakeholders in implementing good sustainable practices. This phase made it possible to assess in depth the impact of ESG practices both on the company and on the surrounding area, strengthening Geasar's sustainability strategy.

### Findings

The documentary and participatory-empirical analyses have produced significant results, highlighting the positive impact of integrating ESG criteria into Geasar S.p.A.'s business model.

- **Purpose, Mission, Vision.** Aligning these elements not only improves the effectiveness of business initiatives, but also builds stakeholder trust, strengthens organizational culture, and facilitates the implementation of ESG strategies. For managers, understanding and implementing a strong alignment between mission, vision and purpose is a fundamental lever to guide the company towards sustainable and lasting success. This alignment denotes a strong strategic orientation and well-structured governance of sustainability.

- **Economic impact and growth:** Geasar recorded a 38% increase in the GDP generated by its activities in 2022 compared to 2021, reaching a total of €421.1 million. This result was accompanied by a 41% growth in terms of employment, with 8,087 job positions, exceeding pre-pandemic levels.

millions of €)

	Employment effect		Effect on national GDP	
	2021	2022	2021	2022
Direct	1.803	2.712	101,0	152,0
Indirect	1.569	2.359	94,1	141,6
Induced	1.262	1.898	33,7	50,7
Catalytic	1.118	1.118	76,8	76,8
Total	5.752	8.087	305,6	421,1

Table 1. Economic Impact. Source: Geasar S.p.A Sustainability Report 2022

These data suggest that adopting ESG practices has contributed to the company's economic growth and positively impacted the Sardinian territory.

- **Reputation and Brand Identity.** Geasar's ESG approach has strengthened the company's reputation, positioning it as a leader in sustainability at a regional level. The "Keep It" brand, used to promote sustainability initiatives, has improved the perception of the brand among passengers and local stakeholders. In addition, the focus on sustainability is attracting new investments and partnerships, highlighting how sustainability can be a critical factor in building brand identity. This process has helped to achieve a brand image perceived as authentic and consistent, which declined with all aspects of sustainability as we see strengthens the trust and loyalty of stakeholders, and positions Geasar as a leader in its sector becoming a reference model in the airport sector about sustainability.
- **Operational savings and reduced emissions.** The actions implemented by the Geasar Group have significantly reduced operating costs and emissions, highlighting the effectiveness of ESG practices integrated into the business model. Between 2018 and 2021, the company recorded a decrease in emissions of 16.4%, thanks to a systematic review of processes in all operating sectors. The strategy planned a gradual conversion of plants and equipment to less polluting energy sources, favouring the use of electricity over fossil fuels, such as diesel. In 2022, Geasar completed the installation of a photovoltaic system that will help meet up to 25% of the airport's energy needs, offsetting the higher electricity withdrawals needed to reduce the use of fossil fuels. Energy efficiency measures, such as the upgrading of lighting systems in the boarding and arrival areas, have led to a 45% reduction in energy consumption and a decrease in special waste. These sustainability initiatives have triggered

a process of reducing operating costs. These savings, in turn, have improved corporate profitability, demonstrating how ESG practices can generate long-term economic value and highlight a favourable link between ESG and financial performance (Aydoğmuş et al., 2022)

### Conclusions and Implications

The results of this study suggest that integrating ESG criteria into Geasar S.p.A.'s business model has led to sustainable value creation and improved the company's competitiveness and resilience. The combination of strong economic growth, improved reputation and brand identity, and reduced operating costs highlights how ESG practices can be a long-term growth driver. These findings have important implications for both research and management. From an academic perspective, they suggest the validity of theoretical models linking sustainability to business performance, offering a concrete case study that can be used for further insights and research. From a managerial perspective, the results underscore the importance of taking a holistic approach to sustainability, integrating ESG criteria across all business areas to maximize long-term value. In conclusion, the case of Geasar S.p.A. demonstrates how a strategic approach to sustainability can translate into economic, reputational and operational advantages, positioning the company as a leader in the sector and contributing to the economic and social well-being of the Sardinia region.

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