

Engaging with sustainable development

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All organisations, such as commercial businesses, public sector or non-government bodies (NGOs), operate in an increasingly complex and challenging world. Policy measures and commercial factors are driven by diverse issues, which can include the need to reduce carbon intensity, ensure social responsibility and deliver social value, meet resource challenges, or respond to climatic uncertainty. These and many other issues increasingly require organisations to adopt strategies to ensure both short and long-term success, and in some cases survival. In broad terms, organisations that identify and address these issues as part of strategic thinking, management and communication, are pursuing sustainable development.

It is vital to understand that sustainable development is not a goal in itself. It is a process that leads to the ultimate – and highly challenging – goal of sustainability. This crucially important distinction means that the process of sustainable development should, wherever possible, be pursued now, not just in the future.

Sustainable development requires contributions from individual organisations, but also from all sectors of society, and action across the globe. Significantly, it also requires the applied professional capabilities of sustainability and environmental management practitioners.

While successful environmental management focuses mainly on environmental sustainability, sustainable development requires the delivery of a 'triple bottom line' of positive economic, environmental and social performance, while ensuring that environmental limits (notably on climate change, resource use and the environment's capability for dealing with waste outputs) are not breached. Operating within environmental limits, and to acceptable levels of social responsibility, means that achieving sustainable development is not a 'trade off' between achieving positive environmental, social or economic impacts.

Ultimately, a sustainable organisation will be able to create economic and social value, and maintain or even enhance environmental value, without undermining the capacity for humans and other life to co-exist and to flourish on our planet. The stakes don't get much higher than this, but sustainable development depends not only on global action, but on the myriad contributions of action at local, regional and national level.

Global impacts and expectations

Businesses, and other organisations, are an integral part of modern society. They process the earth's resources, and deploy human capital, to provide a vast, and increasingly sophisticated, range of goods and services. Through agriculture, urbanisation and industrialisation, commercial and other processes usually deliver economic benefits, but they can also have environmental and social impacts. These impacts give rise to the term 'man-made environment impacts.' The sum of man-made impacts affecting the earth's systems is a function of the:

- Total human population
- Average consumption level of each person
- Average waste associated with each person
- Technologies and processes that service consumption and waste.

According to the United Nations¹, world population reached 7.6 billion by mid-2017, a rise of over one billion people in just twelve years. Central projections for world population are 8.5bn by 2030 and almost 9.8bn by 2050. Significantly, per capita consumption, including demand for food and raw materials from a growing global 'middle class', is also expected to rise substantially. According to the United Nations and the Organisation for Economic Co-operation and Development (OECD), a 'middle class' consumer is someone who earns or spends \$10 to \$100 per day (enough disposable income to buy consumer items such as fridges or cars).

The Brookings Institution² estimates that there are already over 3 billion people in the global middle class, which will grow to over 5 billion by 2030. Asia's middle class is forecast to more than double to 3.5 billion by 2030, accounting for over 90% of growth during this period. The middle class in Latin America is expected to grow from 181 million to 313 million by 2030, while in Africa and the Middle East, it is projected to more than double, from 137 million to 341 million.

The UN also notes that the new global middle class is also likely to demand better environmental protection, and more transparency in how government and other bodies operate.



1. United Nations (2017) World Population Prospects – The 2017 Revision. Department of Economic and Social Affairs, Population Division

2. Kharas (2017) 'The Unprecedented Expansion of the Global Middle Class – an update'; Global Economy and Development Working Paper 100, February 2017, Brookings Institution

Organisations and sustainability

Organisations have at least two basic goals – survival and success. The sustainability agenda can have a major bearing on both these goals. Many organisations have already experienced the effects of major sustainability-related issues (e.g. restrictions and extra reporting requirements on the use of various chemicals, or the need to reconsider business models due to climate change policies). Policy measures designed to boost the recovery of waste, or to encourage a 'circular economy', are also affecting a broader range of organisations, as is commercial and other stakeholder pressure to improve the environmental and social performance of supply chains.

The importance of sustainability to any organisation becomes obvious when the implications of *unsustainable* activity are considered. Essentially, an organisation that has unsustainable needs, or which is operating (or is perceived by stakeholders to be operating) unsustainably, will need to modify its behaviour if it is to survive, let alone succeed. In an environmental and social context, this points to the need to use sustainable resources, to operate with social responsibility, and to avoid contributing to unsustainable outputs from products and/or services. However, sustainable development requires organisations to do more than simply endure. Instead, they will need both purpose and direction, setting out a path towards the goal of sustainability. Organisations that are looking to pursue sustainable development are usually highly proactive, and they are able to continually adapt and evolve, even if some of that adaptation also happens to be reactive.

Organisations that understand which aspects of the sustainability agenda are most relevant to them, and the possible implications, can modify what they do, or plan to do, to improve their position in the marketplace, or even move into new markets. Such organisations, or at least parts of the organisation, may change beyond recognition. To be successful, they will apply strategic environmental, social and economic thinking to plan and build processes that address not only customer demand, but the issues of resource selection and productivity, waste outputs and increasingly, adaptation to a changing climate.

Strategic thinking

The implications of the sustainability agenda for organisations and environmental and sustainability practitioners, are substantial and far-reaching. They can include:

- The rights and responsibilities of current and future generations.
- Environmental limits to meeting current and future needs.
- Social value and social protection.
- Human values, ethics and quality of life.
- 'Megatrends' - e.g. the so called 'Internet of Things' (smart, connected technologies).
- The need for new economic and business models which may be innovative, or even disruptive.

To successfully pursue sustainable development, organisations need to develop processes that are based on strategic thinking. It is important that organisations identify, understand, monitor and address the issues that are most significant to their activities, both now and in the future. This is true whether or not an organisation is certified to ISO14001, the leading global environmental management system.

Strategic thinking has two fundamental elements:

- **A view to the future** – planning that helps emerging sustainability issues to be identified, understood and assessed in terms of opportunities and threats;
- **Systems/ life cycle thinking** – understanding all the components and linkages within a given system. This can give a broad view of the scope of environmental and social issues, so that the implications of emerging issues and developments are understood, in terms of current operations and, importantly, in terms of the supply chain and future markets.

To determine the strategic situation in relation to sustainability, an organisation needs to monitor and assess external environmental, social and other relevant developments and trends. This will enable it to be aware of, and understand, current and emerging sustainability factors so that it can make informed strategic and operational plans. Organisations can use existing management structures to apply strategic thinking. For example, it can be built into the identification and evaluation of 'significant environmental aspects' (the manageable 'causes' of environmental impacts, and a lynchpin of ISO 14001), the development of overall (not just environmental) strategic goals and organisational objectives, and into regular overall management reviews.

The typical characteristics of a sustainable business or organisation may include:

- Economic viability;
- Seeks environment and social value, not just commercial gain;
- Public commitment to sustainable development;
- Seeks to operate within environmental limits;
- Demonstrates progress in minimising impacts and maximising value;
- A bold vision of its future, along with a clear strategy and plan for getting there in good shape;
- Resilience and responsiveness to risks, dependencies and megatrends;
- Ability and commitment to change;
- Demonstrates long-term, strategic thinking;
- Exceeds legal requirements, defining good and best practice;
- Sustainable development is visible in its governance and business strategy;
- Transparent, innovative, collaborative and inclusive;
- Engages well with stakeholders; and
- Is self-aware – unlikely to publicly refer to itself as 'sustainable'.

Strategic thinking example - the 'circular economy'

A 'circular economy' requires individual and collective transition from the notion of 'waste management' to one of 'sustainable resource management'. It involves seeing waste as a manageable sign of systemic inefficiency, and regarding waste, and unused or end-of-life products, as viable raw materials. Recognising the strategic importance of the transition from waste to resource-led thinking can be a vital element of building competitive advantage, business resilience and increasingly, reputational management. Strategic approaches can include better design and new business models (e.g. new services, or leasing). The ultimate goal is to deliver products and services with the minimal use of resources, derived from systems that avoid negative environmental or societal consequences and provide a net positive contribution to the wider value chain.

Some organisations that have embraced the circular economy within a long-term business strategy are increasingly identifying highly ambitious targets and initiatives that actively seek to disrupt the hitherto traditional approach to resource management.

IEMA's 'Beyond the Perfect Storm' provides a vision of how to engage successfully with sustainability, and reviews practitioner insights into the challenge of transforming organisations so they can actively engage with sustainable development.

The second article in this series will look at 'engaging with drivers for change', in pursuit of sustainability and corporate responsibility.

Background to sustainable development

The most commonly accepted definition of sustainable development was devised by the UN-sponsored World Commission on Environment and Development (WCED) chaired by Gro Harlem Brundtland (then Prime Minister of Norway). The definition was published in the 'Our common future' report in 1987 and is usually referred to as the 'Brundtland definition'. It is: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

An essential interpretation of this definition is that continued economic and social development must avoid degradation or significant impacts to the earth's systems, particularly as human activity and further development depend on the quality of resources and the need to stay within environmental limits.

In 2015, the United Nations published its sustainable development strategy 'Transforming our world: the 2030 Agenda for Sustainable Development' (UN 2015). <https://goo.gl/b9oLZd>

The UN sustainable development agenda is a plan of action for "people, planet and prosperity". The overarching goal is, fundamentally, to eradicate poverty, which is identified as "the greatest global challenge, and an indispensable requirement for sustainable development". The UN strategy is underpinned by 17 highly aspirational Sustainable Development Goals. They integrate environmental, economic and social factors which, in combination, are needed to set the world on a sustainable pathway.

The Sustainable Development Goals are aimed at governments – but the policies that governments use to help achieve the goals have a direct bearing on organisations.

To engage effectively with sustainability, organisations need to monitor and respond to sustainable development policy, legislation, and stakeholder issues that apply to all the countries where they operate.

This series of articles, written in conjunction with IEMA, introduces key drivers, principles and practice behind sustainable development and corporate responsibility, as an integral contribution to achieving positive economic, social and environmental transformation.

The audience includes those at the beginning of their IEMA membership journey and, more widely, students and managers in all types of organisation, such as the private and public sector, and NGOs.

About the Author

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We are the worldwide alliance of environment and sustainability professionals, working to make our businesses and organisations future-proof.

Belonging gives us the knowledge, connections and authority to lead collective change, with IEMA's global sustainability standards as our benchmark.

By mobilising our expertise we will continue to challenge norms, drive new kinds of enterprise and make measurable progress towards our bold vision: transforming the world to sustainability.

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