

Sustainability

Made Simple

What Is It?

The term 'sustainability' (otherwise known as Environmental, Social and (Corporate) Governance (ESG)) describes the way that businesses plan their operations, activities and strategy for growth in a sustainable way.

The simplest items to consider include the businesses impact on the following three areas to ensure that the performance of a business is not simply measured by profit, but by their wider contribution to society:



People

- Modern slavery and supply chain management
- Child labour
- Workplace health and safety
- Working conditions and employee benefits (living wage etc)
- Employee training and development
- Employee relations
- Social mobility within the organisation
- Supply chain management
- Privacy and data protection (GDPR)
- Community impact
- Diversity, gender and equality issues.



Process

- Payment of corporation tax
- Bribery and corruption avoidance
- Political lobbying and donations
- Procurement practice and supply chain issues
- Composition and independence of the board
- Integrity in decision-making
- Executive pay
- Accounting standards
- Risk management
- Legal compliance
- Internal control
- Strategic sustainability oversight
- Product safety and sustainability
- Whistleblowing policy



Planet

- Climate change (carbon emissions and energy efficiency)
- Natural resource management (energy, water, raw materials)
- Waste management
- Pollution avoidance and mitigation
- Deforestation
- Recycling.

Why This Matters:

Increasingly, governments, shareholders and other bodies are requiring businesses to report on their sustainability and environmental performance. This can be in the form of carbon emissions, energy consumption, or through a recognised Environmental Management System (EMS), such as ISO 14001.

Although the majority of reporting remains voluntary, you may find that it comes up increasingly often when tendering for work, particularly for the public sector.

In any case, there may be benefits to implementing an sustainability strategy, for instance it may assist you in identifying areas in which you can become more energy efficient, which would benefit the balance sheet as well as the planet. It is also a good way of signalling to potential investors, clients, employees and others that your organisation operates ethically and takes its responsibilities seriously.

What Do I Need To Do?

Designing a sustainability policy and strategy for your business requires you to consider a wide remit of items pertinent to your business, structure them so that they can be measured and delivered, and communicated properly to your team and stakeholders. To do this effectively, you must:

- Determine who your business' activities affect and how (ie identify and engage with stakeholders), plus consider how these activities impact on the planet.
- Ensure those designing the strategy comprise a cross-functional team in recognition that sustainability needs to be embedded throughout the organisation.
- Reference the UN's 17 Sustainable Development Goals <https://sdgs.un.org/> to help determine your vision, priorities and company-specific goals.
- Determine where your business is currently positioned in relation to your intended goals (conduct a gap analysis).
- Establish a roadmap that illustrates where you are, where you aim to go, how you will get there and how progress will be measured and reported. Remember to ascertain the legal reporting requirements that apply to your business.
- Test and communicate the strategy.
- Implement the strategy - via a series of action plans.
- Review and report on progress - modifying the strategy as necessary, to ensure it remains aligned with both stakeholder and business expectations. These are likely to change as expectations of sustainability increase.

Finally, consider what is right for your business, review and adjust accordingly.