Table of Contents

Acknowledgements...........................................................................xiii

About the Author........................................................................... xvii

Introduction and Executive Summary............................................ xix

Part One—The Status Quo and Why It Needs to Change

Chapter 1—Addressing the Confusion About Sustainability:
   The Executive View.....................................................................1
   I.  History of Sustainability.......................................................2
   II. Practical Definition: Respect and Resources.........................5
   III. Selecting the Term: Sustainability? Corporate Social
        Responsibility? Something Else?........................................6
   IV. The Executive View: “That Sounds Nice, But . . .” ...........8
   V.  Nobody’s Perfect...............................................................9
   VI. Views on Sustainability Reporting.....................................11
   VII. Reason for Optimism......................................................12

Chapter 2—Determining Scope: An Operational Definition of
   Sustainability............................................................................15
   I.  Intuitive and Literal Definitions of Sustainability..............16
   II. Operational Definition of Sustainability: Questions, 
       Policy, and Topics............................................................19

Chapter 3—Why Organizations Value Sustainability...............27
   I.  Business Value Versus Ethical Value.................................28
   II. Framing the Business Case: Five Questions.......................28
   III. The Show-Me-the-Money Model: Using Sustainability
       to Make Money..............................................................30
       A.  Factor 1: Reputation and Brand Strength...................32
       B.  Factor 2: Competitive, Effective, and Desirable
           Products and Services; New Markets.........................41
       C.  Factor 3: Productivity.................................................62
D. Factor 4: Operational Burden and Interference ..........74
E. Factor 5: Supply Chain Costs and Risks ..........77
F. Factor 6: Cost of Capital (Lender and Investor Appeal).................................79
G. Factor 7: Legal Liability.................................................86

IV. Linkage Between Company Sustainability Obligations and Financial Success Factors.................................................88
V. Sustainability Initiatives That Don’t Contribute to Financial Success.................................................................88
VI. Quid Pro Quo Model: Using Sustainability to Garner Critical Support From Stakeholders ..................91
VII. Self-Interest Versus a Higher Calling .........................95

Part Two—Integrating Sustainability Into the Organization

Chapter 4—The SOS Foundation: Leadership, Structure, and Message .................................................................105
I. The Champion/Leader and Visible CEO Support ....108
II. Vision, Values, and Policy; External Codes ..........110
III. Selling Management on Sustainability ......................120
IV. Organizational Structure: Multidisciplinary Teams ......128
V. The Sponsor .................................................................133

Chapter 5—SOS Standards: The Roadmap for Change ..........137
I. Natural Evolution of SOS From Reporting .............137
II. Advantages of Management Operating System Standards .................................................................138
III. Developing an SOS Standard ..................................141
IV. Possible Concerns by Management About an SOS ....150
V. The Role of Stakeholders in Evaluating Management Systems .................................................................157
VI. SOS Process Schedule .................................................157

Chapter 6—Strategic Planning for Focused Improvement ..........161
I. Purpose and Benefits of Strategic Planning by Functional Groups .................................................................161
II. General Process for Sustainability Planning .............163
Summary of Contents

III. The Prioritization Process; Determining Materiality...... 167
IV. Strategic Planning Formats: The Balanced Scorecard and Alignment Tools................................................. 179
V. The Tactical/Operating Plan .................................... 185
VI. The Role of Aspects Analyses and Risk Assessments in Planning........................................................... 187
VII. Tracking Progress..................................................... 188
VIII. Personal Performance Objectives (PPOs)................... 189

Chapter 7—Goals and Indicators ....................................... 195
I. Importance of a Clear and Elevating Goal.................... 195
II. Objectives, Goals, Targets, Indicators, and Metrics: What Do They All Mean? ........................................... 197
III. Other Types of Goals................................................ 201
IV. Setting Metric Goals.................................................. 202
V. Other Types of Indicators............................................. 203
VI. Selecting Indicators................................................... 209
VII. Prioritizing Indicators............................................... 214
VIII. Developing Complementary Goals and Other Indicators.......................................................... 215
IX. Role of Stakeholders in Selecting Goals and Indicators........................................................................ 221
X. Final Administrative Details........................................ 222

Chapter 8—Deployment Through the Workforce and Suppliers... 225
I. Why Things Don’t Get Done ........................................ 225
II. Deployment: Rollout Tools and Field Implementation............................................................ 226
III. Integration.................................................................. 234
IV. Alignment................................................................... 237
V. Special Concerns in Particular Functions......................... 239
VI. Sustainability in the Rollout of Cross-Functional Activities.......................................................... 239
VII. Overcoming Resistance: What If They Slam the Door in Your Face? ...................................................... 241
VIII. Deployment Through the Supply Chain......................... 244
IX. Deployment to Other Outside Organizations .......... 253

Chapter 9—Data Systems, Auditing, and Other Monitoring and Accountability Mechanisms................................................. 257
I. Types of Monitoring; Common Problems .................... 258
II. Data Collection and Management Systems: How Do You Know What to Buy? .......................................................... 259
III. Auditing ........................................................................ 269
IV. Other Accountability Mechanisms ............................... 277

Part Three—Stakeholder Communication and Engagement

Chapter 10—Transparent Sustainability Reporting ................. 283
I. Reasons for Transparent Reporting .................................. 283
II. Why Companies Don’t Report Transparently; How to Reverse That .............................................................................. 288
III. Internal Reporting .......................................................... 289
IV. Mandatory Public Reporting ............................................ 290
V. Voluntary Reporting Initiatives ......................................... 293
VI. Sustainability Reporting Statistics and Trends ............... 296
VII. Integrated Reporting: Social and Environmental Information in Financial Reports .................................................... 297
VIII. Deciding Whether to Report Publicly; Low-Cost Strategies ......................................................................................... 298
IX. Process for Preparing a Public Report ......................... 306
X. Planning the Report ....................................................... 312
XI. Reporting as a Balancing Act ......................................... 335
XII. Future Directions in Public Reporting ............................ 335

Chapter 11—Stakeholder Engagement; The Role of NGOs .... 341
I. Why Organizations Should Engage With Stakeholders ........................................................................................................ 341
II. Why Companies Don’t Engage Their Stakeholders: The Engagement-Risk Dilemma ....................................................... 343
III. Encouraging Engagement; The Stakeholder Engagement Principles .................................................................................. 345
Summary of Contents

IV. Common Approaches for Engaging Various Types of Stakeholders .................................................................................. 361
V. NGOs, CSOs: Who Are They? .................................................. 365
VI. History of NGOs ........................................................................ 366
VII. Types of NGOs ........................................................................ 367
VIII. The NGO as a Business .......................................................... 374
IX. Political, Economic, and Social Trends Affecting NGOs .................................................................................. 375
X. Why Engage With NGOs.......................................................... 376
XI. Tips for Engaging NGOs.......................................................... 377

Part Four—Approach to Sustainability for Special Organizations

Chapter 12—Small and Struggling Companies .................................. 383
I. Approach for Small Companies .................................................. 383
II. Approach for Financially Struggling Companies ....................... 388

Chapter 13—NGOs ....................................................................... 393
I. Sustainability Aspects of NGO Operations ............................... 394
II. Sustainability Aspects of NGO Services .................................. 396
III. Recommended Approach ....................................................... 398

Chapter 14—Governmental Organizations ...................................... 401
I. The Impact of Government on Sustainability ............................. 401
II. Local Agenda 21 Model Communities Programme .................. 402
III. STAR Community Rating System ........................................... 403
IV. Best SOS Practices Among Government Institutions ............. 405
V. Putting the Pieces Together ...................................................... 425

Chapter 15—Colleges and Universities .......................................... 431
I. Impact of Collegiate Institutions on Sustainability .................. 431
II. General Framework for Sustainability at Collegiate Institutions .................................................................................. 432
III. The Challenges for Universities Seeking Sustainability .................. 433
IV. Helpful Organizations ............................................................ 436
Part Five—Keeping the Initiative Alive

Chapter 16—Making the SOS Sustainable ........................................... 483
I. Sustaining the SOS ................................................................. 483
II. How Others Can Help ......................................................... 486

APPENDICES

Appendix 1—Summary of Sustainability Trends ................................. 489
1.0 Introduction to Global Sustainability Trends:
The Planetary Boundaries and U.N. Sustainable Development Goals ......................................................... 491
Part A. Primary Trends (Conditions) ........................................... 499
Part B. Secondary Trends (Responses) ......................................... 576

Appendix 2—Sustainability-Related Codes of Organizational Behavior ........................................................................... 627
2.1 General Sustainability Codes .................................................. 628
2.2 Environmental Codes ............................................................. 637
2.3 Human Rights, Labor, and Other Social Codes ...................... 640
2.4 Marketing and Advertising Codes .......................................... 647
2.5 Anti-Corruption Codes .......................................................... 649
2.6 Governance Codes ................................................................. 654
2.7 Industry-Specific Codes .......................................................... 660

Appendix 3—Sustainability-Related Management System Standards ............................................................................. 663

Appendix 4—Materiality Planning Forms for Assessing and Prioritizing Sustainability Risks and Opportunities .......... 679
Form A: Business Prioritization of Sustainability Topics .................. 680
Form B: Importance Rating of Sustainability Topics to Business Success ................................................................. 681
Form C: Business Impact Assessment of Sustainability Trends
Appendix 5—Method for Calculating Savings and Cost Avoidance for Baxter’s Environmental Financial Statement
Appendix 6—Examples of Sustainability Issues for Various Functional Groups
Appendix 7—Examples of Sustainability Metrics
  7.1 Examples of Sustainability Metrics for Companies
  7.2 Examples of Sustainability Metrics for General Governments
  7.3 Examples of Sustainability Metrics for Universities
Appendix 8—Sustainability Resources for Universities
  8.1. Organizations That Can Help Universities Pursue Sustainability
  8.2. Sustainability-Related Codes for Collegiate Institutions
  8.3 Sustainability Assessment Tools for Collegiate Institutions
Glossary of Acronyms
General Index