

Sustainable Business Practices: Some Guiding Orientations

Eric Arnould, José Rosa, Melea Press

May 2008

- In the broad discussion of sustainability, many commentators draw on the Brundtland Report's definition, "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development 1987).
- Further, a three-pillared approach: "the balanced integration of societie's economic, social and environmental goals in a spirit of equity and with a concern to preserve the interests of future generations" (M.C. Smouts, D. Battistella & P. Vennesso 2003) is often evoked in discussions of sustainable business practice.
- Finally, there is recognition of the interdependence principle: that is, social, environmental, and economic factors are interdependent in human development; and outcomes are dependent upon the interaction of these factors.
- Sustainable business practice should be considered as a set of processes and a component of an evolutionary paradigm in business. It should not be considered as a rigid one-size-fits-all model.
- Broadly speaking, sustainable business involves the application of sustainability principles to business operations. Sustainability in this sense can mean a variety of things - sustained economic vitality, ecological sustainability, and social sustainability. As applied to business practice, the sustainability perspective yields the following guiding ideas:

Sustained Economic Vitality of Enterprises

- Sustain able business development does not compromise firm profitability.
- A sustainable business recognizes that continued economic viability

does not require an ever-increasing (i.e., unsustainable) consumption of raw materials and energy.

- A sustainable business focuses on creating new businesses: products, services and systems consistent with ideals of sustainable development.
- A sustainable business focuses on developing breakthrough technologies consistent with ideals of sustainable development
- A sustainable business focuses on major innovations of new activities, instead of minor improvements of existing activities consistent with ideals of sustainable development.
- A sustainable business creates strategic partnerships; looking for synergies throughout the supply chain of the business consistent with ideals of sustainable development.
- A sustainable business strives to create new consumption, production and investment patterns consistent with ideals of sustainable development
- A sustainable business creates new ways of organizing business, aims for organizational transformation to a learning organization consistent with ideals of sustainable development.
- A sustainable business creates sustainability-literate and committed leadership at all levels of the organization.
- A sustainable business redesign the R.O.I. to reflect sustainability concerns:
 - takes credit for pollution offsets ("lack of toxic waste"),
 - takes credit for CSR (corporate social responsibility) actions that reduce social risk,
 - takes credit for benefits that benign energy sources give the business;
 - adheres to standards and indices for lending criteria regarding environmental protection and sustainable development,

- adheres to standards and indices for lending criteria regarding sustainable business practices (e.g., Dow Jones World Sustainability Index).
- A sustainable business is committed to principles of sustainable production:
 - Sustainable production is the creation of goods and services using processes and systems that are: non-polluting; conserving of energy and natural resources; economically efficient; safe and healthful for workers, communities, and consumers; and, socially and creatively rewarding for employees.
 - Sustainable production honors the cyclic principle of ecology and sees the following cycle as essential: recycle, reuse, reduce, redesign for eco-efficiency; the output of one system is "food" or fuel for another.
- Commercial products and services are:
 - safe and ecologically sound throughout their life cycle;
 - minimize adverse environmental impacts and are safe as consumers commonly use them;
 - as appropriate, designed to be durable, repairable, readily recycled, compostable, or easily biodegradable;
 - produced and packaged using the minimal amount of material and energy possible;
 - maximize energy efficiency.
- Production processes are designed and operated such that:
 - wastes and ecologically incompatible byproducts are reduced, eliminated or recycled on-site;
 - chemical substances or physical agents and conditions that present hazards to human health or the environment are eliminated;
 - firms invest in improved energy efficiency and conservation in operations.
 - energy and materials are conserved, and the forms of energy and materials used are most appropriate for the

- desired ends;
 - work spaces are designed to minimize or eliminate chemical, ergonomic and physical hazard.
 - they create objects of durability and long-term utility whose ultimate use or disposition will not be harmful to future generations;
 - as appropriate, they re-regionalize and relocalize production processes and value chains to reduce "carbon miles."
- Firms conduct and publicize self-evaluations of progress in implementing principles of sustainable business practice and comply with applicable laws and regulations throughout global operations.
- Firms work towards the timely creation of independent sustainability audit procedures which they complete regularly and make available to the public.

Community Development

- Concern for community development does not compromise firm profitability.
- Sustainability business practice is related to the quality of life in a community; firms strive to provide a healthy, productive, meaningful life for community residents, present and future.
- Firms engage in production processes that are human, worthy, dignified, and intrinsically satisfying.
- Communities related to any stage of the product lifecycle (from production of raw materials through manufacture, use and disposal of the final product) are respected and enhanced economically, socially, culturally and physically.
- Firms minimize the environmental health and safety risks to employees and the communities in which they operate by employing safe technologies and operating procedures and being prepared for emergencies.

- Firms take responsibility for harm they cause to the environment by making every effort to fully restore the environment and to compensate those persons who are adversely affected.
- Firms disclose to employees and to the public incidents relating to operations that cause environmental harm or pose health or safety hazards.
- Firms will not take action against employees who report any conditions that create a danger to the environment or pose health or safety hazards.
- Employees are valued and their work is organized to conserve and enhance their efficiency and creativity
- Employees security and well-being is a firm priority
- Employees are encouraged and helped to continuously develop their talents and capacities
- Employees input to and participation in the decision making process is openly accepted.

Environmental Stewardship

- Environmental stewardship does not compromise firm profitability.
- A business is sustainable if it combines economy with ecology. The "green cell" wins. It is the green cell that adds value to the Earth's economy.
- Sustainable businesses take responsibility for the effects they have on the natural world.

- A business is environmentally sustainable if it has adapted its practices for the use of renewable resources and holds itself accountable for the environmental impacts of its activities.
- A sustainable business will minimize and strive to eliminate the release of any pollutant that may cause environmental damage to air, water, or earth or its inhabitants.
- A sustainable business will strive to safeguard habitats in rivers, lakes, wetlands, coastal zones and oceans and minimize contributions to the greenhouse effect, depletion of the ozone layer, acid rain or smog.
- A sustainable business will conserve non-renewable natural resources through efficient use and careful planning.
- A sustainable business will protect wildlife habitats, open spaces and wilderness, while preserving biodiversity.
- A sustainable business will monitor and report implementation efforts, and sustaining a process to ensure that the board of directors and chief executive officer are kept informed of all environmental matters.

References

Hawken, Paul (1993), *The Ecology of Commerce*, New York: Harper Business.

http://en.wikipedia.org/wiki/Sustainable_business

http://www.bsdglobal.com/tools/principles_ceres.asp

<http://www.libsci.sc.edu/BOB/class/clis748/Studentwebguides/fall02/Giddens.html>

<http://www.sustainablebizness.com/WhySustBiz.htm>

<http://www.sustainablemeasures.com/Indicators/WhatIs.html>

<http://www.sustainablemeasures.com/Sustainability/DefinitionsBusiness.htm>

!

<http://www.sustainablemeasures.com/Sustainability/index.html>

<http://www.sustainablescale.org/AttractiveSolutions/SustainableBusinessPr>

[actices.aspx](#)

<http://www.theevergreengroup.com/sustainable-business.htm>

<http://www.uml.edu/centers/LCSP/>

http://www.uvm.edu/~sustnbus/UVM_Sustainable_Brochure_08.pdf