
Chapter 2: Business case and main themes

What is sustainable development?

Sustainable development is a direction of travel. It summarizes in one phrase an intention to progress in a way that can be continued, at least in theory, indefinitely. This implies that development, of whatever kind, does not limit future choices or irretrievably damage possible future resources.

The definition that BS 8900 uses is derived from the Brundtland Report (World Commission on Environment and Development, 1987) but sees a broader scope. It is:

an enduring, balanced approach to economic activity, environmental responsibility and social progress.

(Source: BS 8900, 0.1)

This definition makes two fundamental points: first, that sustainable development necessarily considers social, economic and environmental aspects together, and secondly, that options for the future should not be limited.

Sustainable development, however, has come to encompass a very broad and complex tapestry of integrated factors, including the social, economic and environmental, but also the political, ethical and technical. The important point is that it is a holistic approach which, at its heart, seeks to be inclusive and draw together a very wide range of differing factors, recognizing the voracity and significance of interactions in society, the economy and between man and his environment.

Sustainable development is essentially an approach to defining outcomes: where we want to be and what we want to achieve. It is a set of criteria or

value judgements about what is important and what should be avoided. It is essentially a compass for travel, rather than a fixed point to reach.

It is important to say what sustainable development is not. Sustainable development is not a process or series of processes. Certainly, the outcome or outcomes of sustainable development may require new processes, or amendments to existing ones, but the mechanisms employed should not become a substitute for discussing the objectives. Process is not a substitute for purpose.

Sustainable development has become attached, misleadingly, to specific agendas – most notably environmental agendas – but it is important to be clear that sustainable development is not synonymous with ‘being green’. Environmental and social accounting and reporting mechanisms are examples of processes that support sustainable development, and form part of a wider whole.

Is sustainable development insufficiently ambitious?

It could be argued that sustainable development is a somewhat limited objective. Apparently aiming to keep going could be seen as unambitious, seemingly neglecting or negating the human potential to innovate, adapt and overcome limitations. Clearly, technical developments push back, what may seem to be at one point in time, impassable boundaries. Sustainable development, if it is to be a useful concept, has to allow flexibility for dynamic change and improvements of this kind. It should be a guide to balancing risk management with seeking opportunities or nurturing innovation. The word ‘development’ is instructive; sustainable development is about progress not about preserving in aspic.

Sustainable development should not become an excuse for preserving the status quo, or conserving indefensible positions on the basis of a fear of change. Change and progress is inherent in the concept of sustainable development and it often requires the making of difficult choices.

Organizations need to set out their view of sustainable development.

The views of two large organizations, BT and Philips, are provided in Examples 1 and 2.

Example 1 — BT

How can we contribute to sustainable economic growth?

For much of the last two decades our approach to sustainability has focused on reducing the negative social and environmental impacts of our business. We now want to adopt a more holistic approach and to extend our focus

from risks and impacts to look more closely at opportunities. We believe that ICT technology has great potential to contribute towards sustainability – by enabling economic growth that benefits society within environmental limits.

CSR Leadership Panel

“If BT can sell ICT and carbon reduction to their clients this will be a profound shift towards a more sustainable business model.

Elisabeth Laville, Founder & Director, Utopies”

To ensure we embrace these opportunities we have launched a sustainable economic growth programme – a key strand of our CSR strategy. We will focus on integrating sustainability into our business development processes, creating new products and services with sustainability benefits and encouraging new business models. As one of the world’s largest companies, ranking 162nd in Fortune’s Global 500 we believe we can make an important contribution.

We have already started to identify new ways in which our technology and operations can have broader benefits for BT and society. For example, we are developing a Carbon Audit service to help customers understand the carbon footprint of their ICT systems and use technology to reduce their overall emissions.

Our sustainable economic growth programme in brief

1. *Integrating sustainability into business development processes.* We will take account of sustainability factors in our product development processes.
2. *Identifying products and services with sustainability benefits.* For example, ICT solutions that enable home-working or better management of chronic disease.
3. *Exploring obsolescence in the ICT industry.* ICT has environmental drawbacks as well as benefits. For example, the relatively short life span for much ICT equipment contributes to wasted resources.
4. *Measuring our progress.* We will establish indicators to drive progress.

Contributing to the economy

Our sustainable economic growth programme will build on strong foundations. We make a significant direct economic contribution by employing 106,204 people and buying goods and services worth billions of pounds a year.

As an ICT company we also have an indirect economic impact through our technology. The products and services provided by BT are used by others to raise their productivity and ability to compete.

COMMENT: Andy Green
CEO Group Strategy and Operations, BT

We are committed to sustainable development because it matters to society and our customers. It reflects the ethos of our company and is a natural extension of our long history of engagement in environmental issues. We're convinced that economic growth is a good thing if it is achieved in a sustainable way that helps people worldwide to raise their standard of living.

Our industry has great potential to stimulate economic growth in a way that benefits society, reduces inequalities and prevents environmental degradation. Travel substitution is one example. By facilitating remote working, ICT can stimulate the growth of virtual global enterprises that bring people into the workforce and contribute to sustainable local communities. But this potential won't be realised automatically – it requires creative thinking.

We have had a positive response to this initiative internally – now we have to channel this energy and embed it into our product development process. This has to be part of our day-to-day business.

COMMENT: Elisabeth Laville
Founder & Director, Utopies

BT's sustainable economic growth programme puts them among the leading companies in this area. Up to now most companies have focused on risk management and pollution prevention. Now the leaders are thinking about how to make a positive contribution through their everyday business activities.

I'm interested in their idea of a carbon audit service. If BT can sell ICT and carbon reduction to their clients this will be a profound shift towards a more sustainable business model.

We shouldn't assume that ICT solutions by themselves will always have a beneficial environmental impact. Installing a video conference system won't necessarily reduce business travel. You have to communicate intensively and create incentives for people to adopt sustainable solutions. I think BT understands these challenges.

BT's programme is very relevant but it is in its early stages. I would like them to set targets and embed this work in their business. If they really see opportunities in this area they must make it part of their core business strategy and communicate it externally.

(Source: BT, 2007)

Example 2 — Philips

How would you define sustainability at Philips?

It's no different than our company mission – to improve the quality of people's lives through the timely introduction of meaningful innovations. Sustainability is an integral part of the way we do business. We are actually in a unique position because sustainability has always been in our DNA. Our company's founders never lost sight of their employees or the communities they came from. From the early days they provided pensions, sick pay and medical care. They built housing for employees in Eindhoven, and set up sporting and cultural activities. They also provided elementary and secondary schools, and a foundation to finance college scholarships for employees' children. I myself benefited from a Philips scholarship during my studies.

What does this mean today?

Our company has changed a lot over the years, but as for sustainability, we are loyal to our roots. We still put people at the center of our activities. That's what our brand promise of "sense and simplicity" is all about – making technology easier to experience and designed around people, while still being advanced. We need new innovations to improve people's lives in advanced and new and emerging markets, including developing countries. We want to be a company that simplifies solutions for complex issues like sustainable development.

(Source: Philips, 2007)

The role of standards in sustainable development

Sustainable development requires the involvement and commitment of a very wide range of groups, e.g. businesses (employers and employees), community