

Published: 9 March 2011

## Blueprint for a sustainable enterprise

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**The success of a company and the well-being of the communities it serves are connected. A business needs stable and viable communities to be successful, and communities depend on successful businesses to provide products, services, jobs and infrastructure.**



Credit: istockphoto

Many corporations from around the globe have thought deeply about their social and environmental impacts and performance. In some cases, these considerations have dramatically shifted the organisation's focus, from regulatory compliance at the periphery of operations to a more holistic driving force for corporate intent, strategy and value creation.

The United Nations' Global Compact program has informed such corporate actions over the past decade. The Global Compact's Ten Principles<sup>1</sup> define a range of outcomes for private sector signatories to embrace, support and enact in areas such as human rights, labour standards, the environment and anti-corruption. The idea is that by embracing these principles at an enterprise scale, businesses can help address major social and environmental challenges in ways that will benefit economies and societies everywhere.

However, having a set of principles is just the starting point. Translating them into meaningful actions and outcomes presents a whole new set of challenges. Fortunately, two recent major developments are helping organisations effect social and environmental performance objectives: the Ceres Roadmap and ISO 26000.

Ceres, a US-based sustainable enterprise network, has released 'a vision and practical roadmap for integrating sustainability into the DNA of business': *The 21<sup>st</sup> Century Corporation: The Ceres Roadmap for Sustainability*.<sup>2</sup>

The Roadmap takes a whole-of-enterprise approach to sustainability, drawing upon practical experience and evidence from across 20 sectors and more than 200 companies. It reflects the changing dynamic in the relationship between business and society, with Ceres President, Ms Mindy S Lubber, acknowledging that 'the best performing companies of the 21st century will be those that recognise this evolving new order, and invest and act now.'

The Roadmap suggests 20 'key expectations' held by a range of stakeholders – government, investors, unions, civil society, suppliers, consumers and employees – with respect to the management and performance of a sustainable enterprise. These expectations form a basis upon which current performance can be assessed and areas for improvement identified. The expectations are grouped around four discrete organisational functions – governance, stakeholder engagement, disclosure and performance (ie employees, operations, supply chain, transportation and logistics, and products and services).

In the second major development, the International Organization for Standardization (ISO) has produced an international standard for social responsibility. ISO 26000 Guidance on Social Responsibility<sup>3</sup> was developed through a six-year multi-stakeholder approach, which consisted of more than 500 participants from 90 countries.

Social responsibility is defined in the standard as the 'responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:

contributes to sustainable development, including health and the welfare of society

takes into account the expectations of stakeholders

is in compliance with applicable law and consistent with international norms of behaviour, and

is integrated throughout the organisation and is practised in relationships'.

ISO 26000 provides organisations with a comprehensive and integrated approach to embedding social responsibility in strategy and operations. It can be used by all types of organisations, whether large or small, public, private or NGO.

The standard provides a context for social responsibility across eight key areas: organisational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development.

Unlike many other ISO Standards, ISO 26000 is voluntary: that is, not for certifiable accreditation. However, given the pervasive nature of the ISO Standards model, ISO 26000 is anticipated to become universally recognised and applied.

Both the Ceres Roadmap and ISO 26000 enable organisations to create value for shareholders and stakeholders alike, by 'creating shared value' – as described by esteemed Harvard University academic, Professor Michael E Porter<sup>4</sup>. In other words, by creating social value, private sector organisations can build profitability, competitive advantage and long-term success.

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<sup>1</sup> [www.unglobalcompact.org/AboutTheGC/TheTenPrinciples](http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples)

<sup>2</sup> [www.ceres.org/ceresroadmap](http://www.ceres.org/ceresroadmap)

<sup>3</sup> [www.iso.org/iso/iso\\_catalogue/management\\_standards/social\\_responsibility.htm](http://www.iso.org/iso/iso_catalogue/management_standards/social_responsibility.htm)

<sup>4</sup> Porter, ME and Kramer, MR (2011). The big idea: creating shared value. *Harvard Business Review* Jan-Feb  
<http://hbr.org/2011/01/the-big-idea-creating-shared-value/ar/1>

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