

# The big question

**Penny Walker** offers a framework for answering a fundamental question: what does sustainability mean for your organisation?



**Penny Walker** is an independent sustainability consultant

**Y**ou may be asking what sustainability means for your organisation because you're applying for full membership of IEMA. But I'd urge everyone to ask the question, whatever their professional ambitions. Because finding the answer is one of the biggest contributions you can make to building a sustainable future.

When you ask what sustainability means for your organisation, you are effectively asking: 'What's the best thing we can do?' and 'What's the best way we can do it?' (see figure, below).

These questions get to heart of the organisation's purpose and activities, daring us to reinvent them for the world of tomorrow, where the purpose responds perfectly to the context and is delivered with the best possible impacts. You will find the answers in conversations with other people: colleagues, critics and stakeholders. So while you're reading this, identify to whom you need to talk – and listen.

## Impacts

First, you need to consider the organisation's impacts. So, what negative environmental impacts does your organisation have? Are they increasing or improving? Benchmark them. Which are the biggest or most serious?

It's very likely that you will have this information already, but if not, consider:

- energy used by the organisation and its suppliers in moving and processing raw materials, products and waste, and in delivering services;
- water use throughout the supply chain, including in the use and disposal of products;
- raw materials and goods that are bought in;
- waste;
- emissions to air, land and water;
- biodiversity: raw materials supply, site management, use of substances that have knock-on effects.

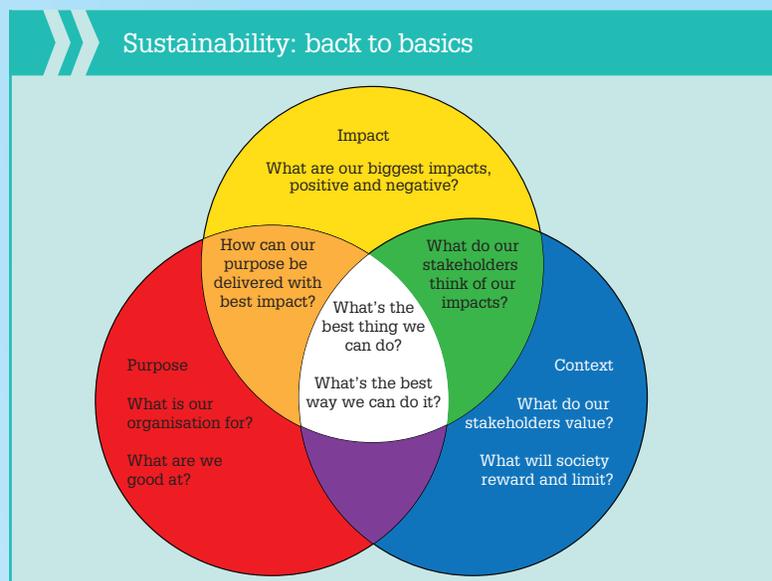
You also need to consider your social impacts. Which impacts are positive? These may arise from what you do (manufacturing renewable-energy equipment, educating people) or how you do it (using grey water, providing equal opportunities).

Make an initial list of the positive and negative impacts and gather relevant evidence. You can then talk about them with stakeholders.

## Context: What are our biggest impacts?

All organisations operate within a context that rewards certain activities and limits others. As sustainability experts, we can help our organisations understand this context better. At the same time, we need to be aware of the pressures that may constrain the organisation's ability to change.

A classic way of understanding the context is to do a PESTLE analysis. Your analysis will be richer if you put it together with colleagues from your strategy team.



**What do our stakeholders value?**

Stakeholders are people with a stake in your organisation and its activities: people who can influence what it does and where its impacts fall. Your organisation may already gather stakeholders' views through formal consultations, customer insight, research, media monitoring or counting protestors outside the building!

Build on this with targeted contact, including one-to-one conversations and workshops that allow you to dig deeper and build relationships. Share your analysis of the issues with stakeholders and get feedback on which are their priorities.

**Purpose**

This is the most inward-looking phase. It involves understanding the core mission and special competencies of your organisation. Does it retail goods to consumers or provide services to other businesses? Does it run leisure centres or design websites? Is it great at inventing new technology or excellent at understanding what customers want? Does it know how to cut out waste or can it tell a great story?

To understand what sustainability means for your organisation, you need a clear picture of the organisation's essence. If this isn't immediately obvious search it out. The higher up the organisation you look, the clearer the view will be. Seek out the people who make strategic decisions. They may already use tools such as PESTLE, scenario planning or SWOT analysis to understand the biggest opportunities and challenges the organisation faces.

You have already identified environmental and social impacts in conjunction with stakeholders. Look at how these strengths and weaknesses marry up with the opportunities and challenges the strategy team have spotted.

**Opportunities and risks**

Which organisational skills and assets can be harnessed to provide its goods/services without negative environmental and social impacts? What could your stakeholders love you for? What sustainability benefits will customers and investors pay you to achieve?

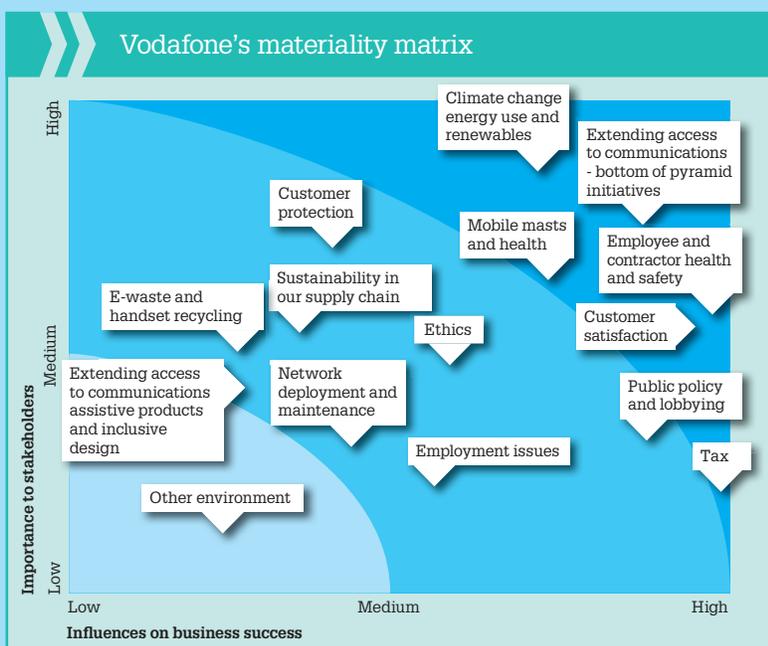
Consider the ecosystem services your organisation depends on (water, fertile soil, beautiful landscape, and primary resources such as fish or oils). Which are vulnerable to depletion or disruption? What would a scandal in the supply chain do to your reputation?

A helpful way of organising the information is in a "materiality matrix". This maps issues according to how important they are to your organisation's ability to fulfil its purpose and obligations to its stakeholders. The Vodafone materiality matrix (below) is a good example.

**Leader businesses**

When the organisation really understands sustainability it can be what Forum for the Future calls a "leader business"<sup>1</sup>. It defines a leader business as one where "the organisation has a clear and aspirational vision of what it means to be sustainable, and understands that sustainability is an essential part of creating value."

In November 2010, Unilever<sup>2</sup> created a stir when it published its Sustainable Living Plan – effectively a new corporate strategy. The multinational fast-moving consumer goods business said: "We have to develop new ways of doing business which will increase the social benefits from Unilever's activities while at the same time reducing our environmental impacts. For our environmental targets we consulted with stakeholders to develop our four key metrics and ensure that they reflected external expectations of a company like ours on issues such as waste, water, greenhouse gases and sustainable sourcing, and what we should be aiming to tackle."



**Pulling it all together**

So you have:

- stakeholders' views;
- an assessment of the context;
- a materiality analysis; and
- a clear picture of your organisation's purpose and abilities.

Together with colleagues and stakeholders, you can now answer the questions: "What's the best thing we can do?" and "What's the best way we can do it?"

That's what sustainability means for your organisation.

\* Thanks to Juliana Grando at National Grid for pointing me towards the materiality matrices.

1 [www.lexisurl.com/iema5778](http://www.lexisurl.com/iema5778).

2 [www.lexisurl.com/iema5779](http://www.lexisurl.com/iema5779).

More information: *Change management for sustainable development: a workbook*, IEMA, 2006, available at [www.lexisurl.com/iema5780](http://www.lexisurl.com/iema5780).