

Excellence for sustainability - maintaining the license to operate

Companies increasingly work in a global context and need to be relevant in it. Apart from customer focus, companies need to identify and attend to the needs of a variety of stakeholders. When studying sustainability reports there is frequently a strong focus on Profit and on customers and stakeholders that are close in time and space. An interpretation based on the Brundtland commission definition of sustainable development points out the main stakeholders as People and Planet.

With diminishing resources it becomes logical to award the business to companies that best serve People needs without damaging the Planet. This indicates that there could be a flaw in the logic of the Triple Bottom Line. Profit might not be a stakeholder at the same level as People and Planet, but instead a means to an end. Profit is needed to promote People and Planet value, but the license to operate could be reserved to the company that has the best ratio of satisfying stakeholder needs compared to different footprints. There is little in current sustainability reporting that indicates any true focus on sustainability – a state where systems can continue to exist without any deterioration.

A focus on true sustainability, which could be a necessity within short, might require a considerably changed focus with important implications on what constitutes Performance Excellency. This conceptual paper discusses how we could identify main Planet and People stakeholders and their needs and how this could help in creating a performance management system for sustainability.

The concept of Planetary Boundaries and the UN Sustainability Goals – Agenda 2030 have been used as a starting point to identify stakeholders. Also, the sustainability definition by The Natural Step and the methodology of Backcasting have been used. A typical problem is that we are bound with our ideas to how current reality looks like and consider legitimate requirements for change as unrealistic and impossible when doing forecasting. This is where Backcasting can be used.

This work starts by creating a picture of the system in a state of sustainability and then studying how the road map towards sustainability looks like. The Carbon Law discussing what is needed to keep the global warming under 2 C has also been used as an example for Backcasting.

The preliminary results indicate that from a perspective of the Pareto principle we could define high-level Planet stakeholders such as the Atmosphere, Lithosphere and Biosphere. People needs focus should be on Poverty and especially on those living far from a minimum defined by the UN Declaration of Human Rights. These would in terms of the Agenda 2030 be those living in extreme poverty. The identified stakeholders and stakeholder needs have been related to how value is provided in global supply chains. This has been used to identify both absolute and relative indicators for sustainable performance management.

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