

# Business and the language of sustainability

► Dr Arnold Smit, Executive, USB-ED Centre for Business in Society

Three concepts are growing in prominence in our business vocabulary: sustainability, responsibility and accountability.

Sustainability expresses the acknowledgement that the footprint of our economic activities has simply become too heavy for our planet to sustain us for much longer. Within this context, responsibility addresses the standards that we agree to apply and steps that we implement in order to align our impact to what is socially and environmentally responsible. Accountability is about recognising the right of society to know what we are doing to help safeguard the future for the next generation.

This seismic shift in history that we stand on puts business in a very precarious position. On the one hand, companies are needed to generate wealth to sustain society and secure the livelihoods of people. On the other hand, they are accused of being complicit for the state that the planet is in. It is awkward to be saviour and villain at the same time.

Development cannot stop, but consumption at current levels cannot continue.

This conundrum defines a number of dilemmas for executives. Questions like the following occupy the executive mind:

- How do we manage the competing demands of shareholders and stakeholders?
- How do we reconcile competitiveness and profitability with this era of sustainability?
- We know how to count the financial bottom-line, but how do we account for the impact on people and the planet?

- How do we secure the image and reputation of the firm in this era of activism for social and environmental responsibility?

Together with these fundamental business questions there is, at the same time, a proliferation of sustainability related standards that business performance increasingly gets measured against. The language of the age of sustainability is packaged in these standards: the Global Reporting Initiative (GRI); the UN Global Compact; the AA1000 AccountAbility Principles Standard (AA1000APS); the International Standard on Assurance Engagements (ISAE) 3000; the AA1000 Assurance Standard (AA1000AS), to name a few. In South Africa, there are, amongst others, the King Report on Corporate Governance and the Johannesburg Stock Exchange Socially Responsible Investment Index (JSE SRI).



The trend is clear: the demand for integrated sustainability reporting and assurance will just increase. The scope of it is already circling out to include SME's and the non-profit sector as well. In the future, it will determine business opportunities and market perceptions and companies will start putting pressure on their supply chains.

Instead of avoiding sustainability reporting and assurance, companies will do better to become proactive and reap the low hanging fruits of it. There are examples around of businesses that have done it and gained both in profitability and social capital.

USB Executive Development Ltd has sensed the need for companies to become more skilled in the area of business and sustainability and has established a Centre for Business in Society. One aspect of it is to become better acquainted with the fundamentals and learn about the principle codes and standards for effective sustainability reporting and reporting assurance.

A range of programmes are available to answer this particular need. The other side of the coin is to ensure that sustainability becomes part of the everyday business language, that it becomes embedded in strategy and that management and staff see the value, both in terms of the financial bottom-line and the public goodwill that results from good corporate citizenship. A number of programmes fulfil in this particular need. ▲

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