

## HSS Visiting Speaker Program – September 18, 2008. Washington DC



“What we have seen from these Visiting Speaker Programs is an opportunity for collaboration. The people attending are representative of organizations investing their time and they too are struggling to solve the same issues we are ; to keep America sustainable, secure, and to foster responsible leadership.

Companies have been successful preparing for and navigating this new shifting global landscape.”

Index considers the business model of sustainability as viable, measurable, In the government, the term sustainability seems new – but the concept is not new. Since the 1990’s the Dow Jones Sustainability and necessary for good governance. The complexity of the DOE mission meets the complexity of an organization that can benefit from sustainability.”

Mari-Josette Campagnone, Senior Advisor to the Chief Health, Safety and Security Officer

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“What is a brief definition of sustainable development?  
Meeting the needs of the present without compromising the ability of future generations to meet their own needs. (drawn from the book, ‘Our Common Future’).

There is an environmental health and safety and sustainability view of an organization.

We need to look longer and broader at the issues we face.”

Jeff Erikson, Vice President,  
SustainAbility

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“Waves of Change - The waves of change can be a metaphor of the history and future of the term ‘sustainability’.

We have been tracking 40 years of ‘waves’ that have been brought about by consumer interest, regulations, and business interests. Waves come in a series, are fairly predictable, and there is an ebb and flow to them. Timing and position is essential to get the most value and to capture the most energy from them.

We have had three waves and are currently in the fourth wave.”

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“First Wave: 1960-1970’s. Citizens’ approach to activism (call to action from government, regulatory-driven, creation of the EPA).

Second Wave: late 1980s. Consumer Influences ( ‘Green Consumer Guide’ empowered consumers to make choices on their environmental impacts).

Third Wave: Late 1990s. Shift from environmental issues to social equity (world governance systems, focus on the inequity of globalization and its impacts on the public, demonstrated the interconnectivity of social and environmental issues).

Fourth Wave: 2001 to present. This wave is more complicated than the previous three waves and contains attributes of the previous waves (innovation occurring globally, rising influence of national companies and the nationalization of natural resources).”

Jeff Erikson, Vice President, SustainAbility

## Global Trends, Global Divides

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Interconnected global financial markets  
Unprecedented urbanization  
Growing divides  
Threats to diversity  
Climate and environmental insecurity  
Governance vacuums  
“Blessed unrest”

The rise of the rest



### Divides

Demographic	Health
Financial	Gender
Nutritional	Educational
Resources	Digital
Environmental	Security

“The following three trends are examples of the trends that are impacting sustainability:

Population/Demographics - growing urbanization, burgeoning middle class in emerging nations who want a higher quality of life, businesses must be innovative and flexible in order to meet this population needs.

Nutrition - Organizations are acting not only to address malnutrition and hunger issues in emerging nations but also to address nutrition issues in leading nations (e.g., obesity).

Environmental - Businesses and industries are developing new products, carbon offsets, and collaborations to address environmental issues.”

Jeff Erikson, Vice President,  
SustainAbility

## Some Progress

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Green is the new black – in theory

Capturing the opportunity, not just managing the risk

Sustainability as an element of the brand

Moving beyond the fenceline

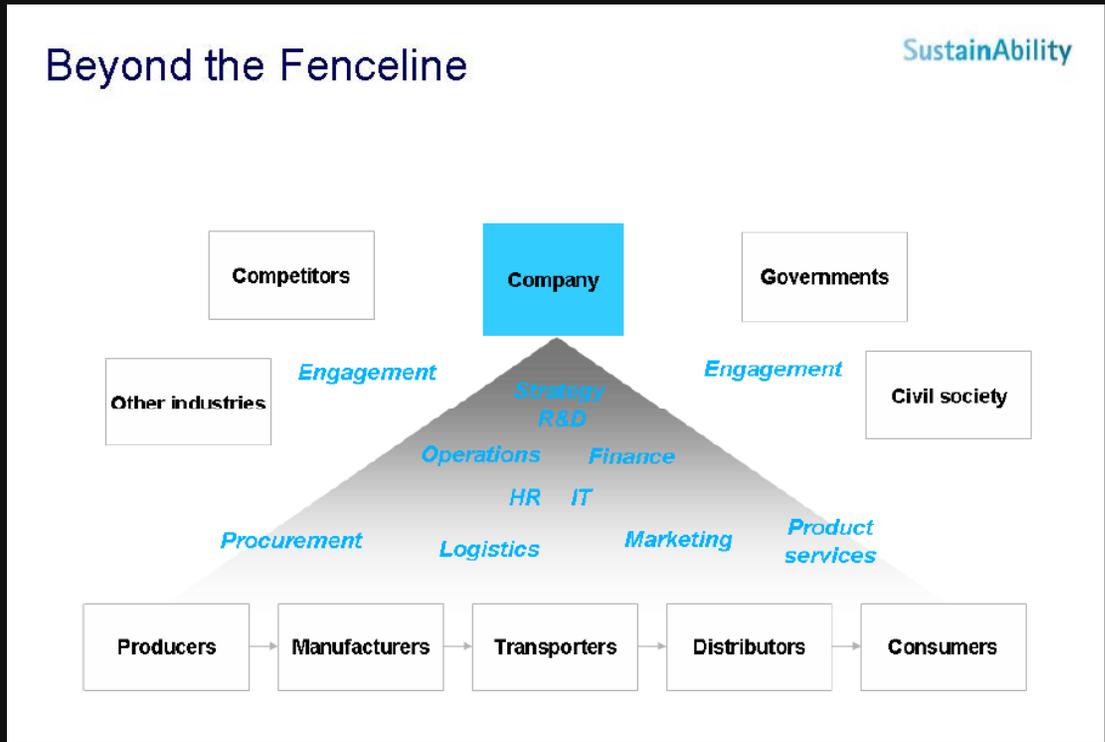
Incremental improvement, not step change

Wall Street still rules

Climate change seen as an opportunity – ignoring the risk?



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“Organizations are moving beyond operational impacts to looking to their supply chain, customers and other collaborators. This slide identifies the relationships companies are nurturing as a part of their sustainability strategy.

Often a high percentage of impacts occur downstream with customers or upstream in the supply chain.

A more difficult relationship for organizations is collaborating with competitors. For example, the U.S. Climate Action Partnership is an example of companies recognizing that climate change issues require regulatory action and they are lobbying for policy changes as part of their sustainability strategies.

The further you move from your fenceline, the more difficult control becomes. But moving beyond and collaboration is essential to scale up the solutions we need.”

Jeff Erikson, Vice President, SustainAbility

## Critical Success Factors

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Demonstrated commitment

Long-term goals, short-term targets

Priorities aligned with material issues

Integration into business functions

Coherence and consistency

	Governance	Markets
Tomorrow	Boards	Business Models
Today	Balance Sheets	Brands

“Critical Success Factors include the following attributes:

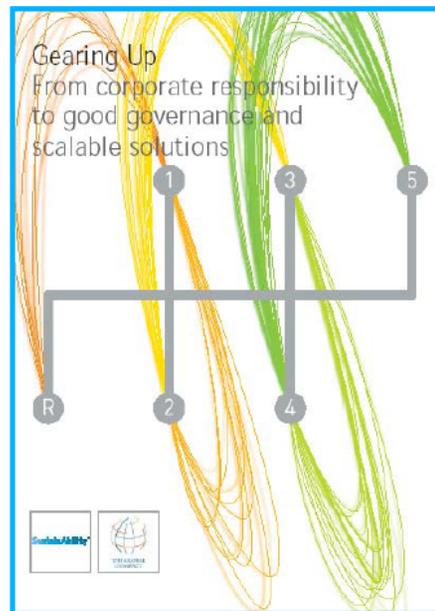
- Internal and external perspectives
- Simplicity
- Setting goals - aspirational goals and short-term goals
- Aligning personnel on the goals, especially when appealing to global audience
- Internal and external accountability
- Recognize your organization’s strengths and weaknesses and capitalize on those strengths

According to the CEO of Wal-Mart, ‘Those who will succeed in the future are those who can understand how to address complex issues.’ This means understanding beyond traditional means of doing business.”

Jeff Erikson, Vice President, SustainAbility

## The Need to Gear Up

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Question: Are voluntary initiatives likely to make a significant difference in the world?

Answer: Not if they continue to operate in isolation of mainstream governance systems.

*“The key challenge for business – and for governments – is now to work out how to drive the current generation of responses to such challenges as climate change... to the necessary scale.”*

Comply → Volunteer → Partner → Integrate → Re-engineer

“The Future of Sustainability - most companies look at incremental improvements; society needs improvements to be fundamental changes.

How to do it? Move from Operations to Business Models, Process to Product”

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“The role of the public sector/government - does government drive change or is business going to have to drive government?”

To some degree, a little of both. Government is asked to provide more funding and support, in other word, incentivization.

Policy changes can drive sustainable changes.

There should be much more partnership – less command and control.”

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“Some thoughts to consider:

- Seize the opportunity – not manage the risk.
- Find ways to collaborate at your level and make changes
- Government can do more perhaps that even industry in efforts to transform sustainable development as government does not have to demonstrate the quantifiable results industry is required to do.”

Jeff Erikson, Vice President,  
SustainAbility