



Steps to Sustainable Success





Foreword

Over many years working in house and with clients, we've seen companies' approach to responsible business behaviour change dramatically, and now a new step on the journey is becoming clear: sustainability plans.

In the last decade or more, we've seen a move from ad hoc philanthropic giving and technical but narrowly-focused environmental management, to ever more sophisticated corporate responsibility programmes that are becoming increasingly aligned with business priorities. More recently, some businesses have grasped the challenge of sustainability: to maintain and enhance social benefits and economic prosperity in a world of decreasing natural resources.

It is now the norm for our biggest companies to communicate comprehensively on their environmental, social and ethical performance, and not only to specialist interest groups or investors – customers and employees care just as much.

Until now, much of this communication has taken the form of annual reporting released alongside traditional company reports, covering achievements from the past year and targets for the year to come. More recently, however, we have seen a new phenomenon emerge – that of the sustainability plan.

Full sustainability plans are still relatively rare, yet we have noticed a growing interest in their

development amongst our clients. A true sustainability plan looks beyond the core operations to cover the full economic, environmental and social impacts of the business, and how these can be managed to achieve long term sustainable success. The boundary breakers have been Marks & Spencer and Unilever, but there are several more with plans at various stages of development.

We were delighted to help Unilever with the launch of their plan, and the level of interest it provoked, along with an increasing number of enquiries from our clients, inspired us to produce this short booklet. In it, we look at what a sustainability plan is, how common they are, and how you might go about developing one for yourself.

The crucial thing to remember is that developing a plan is part of a wider sustainability journey – we have developed a new model to show how plans can evolve, from single strand efforts with broad targets and timescales, to sophisticated strategies which incorporate the entire value chain of the business. Wherever you are on your journey, we hope that our thinking will inform and inspire you.

About sustainability plans

Before we talk about what a sustainability plan is, we need to define sustainability.

Whereas in the past this term has been used particularly in relation to environmental factors, we are interpreting sustainability in its broadest sense.

We use sustainability to refer to **the identification and management of environmental, social and economic factors so as to secure the long term future and success of the business.**

Due to the incorporation of environmental and social factors, sustainability plans will almost certainly build on an existing corporate responsibility strategy. So when does a strategy become a plan?

We carried out a review among FTSE100, Fortune Global 500 and other leading companies to find out how prevalent sustainability plans are, and what they cover. From our research, we've identified some of the essential factors that we think a sustainability plan needs. We have used these to determine what counts as a plan, and to differentiate from what is simply a corporate responsibility strategy. We think the basic requirements of a plan are:

- An understanding of the role that the business plays in addressing environmental and/or social impacts
- A long term focus, looking ahead 10 -15 years
- Targets – what will count as success?
- Stated means for reaching those targets
- Communication – reports on progress and learnings along the way
- An identity or brand – that sets the plan apart from other corporate communications

Who has a plan?

Through our research, we've identified a number of companies with sustainability plans fitting our basic criteria (and some go well beyond this).

These companies include:

- Campbell's 2020 Sustainability and Citizenship Goals
- GE ecomagination and healthymagination
- Heineken Brewing a Better Future
- Johnson Matthey Sustainability 2017 Roadmap
- Marks & Spencer Plan A
- Sony Road to Zero
- Unilever Sustainable Living Plan
- Walmart Sustainability 360

There are several more who have the beginnings of a plan, but these remain narrow in focus and need further development.



Johnson Matthey

Walmart 



Unilever

SONY

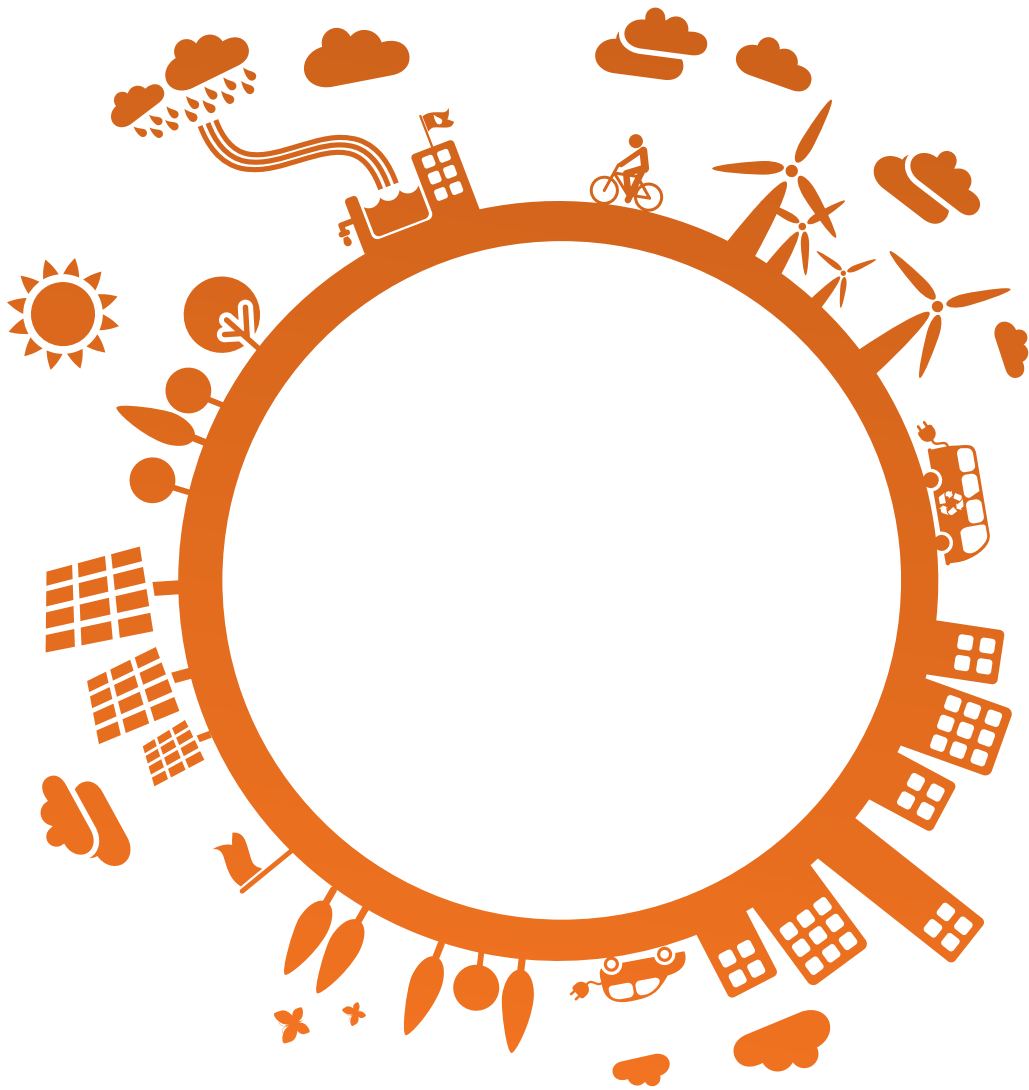
M&S



imagination at work

Heineken





What do plans cover?

07

The majority of plans have a strong slant towards environmental goals, particularly focusing on carbon footprint, but there are a number including Marks & Spencer and Unilever that cover a wide range of economic, social and environmental issues.

The most developed plans are rooted in the business strategy and have concrete targets in place for the next 10 to 15 years. They also stretch beyond ambitions for the business, to address impacts throughout the value chain (including suppliers, distributors and retailers) and beyond to customers and consumers.

How are plans communicated?

Microsites are common in emphasising the plan's identity and branding. These also incorporate hints and tips, video clips, links to green products, detailed reports and links with social media.

How is success measured?

One feature of well developed plans is the road map, which shows what the company wants to achieve and how it is going to get there. Sony's Road to Zero has a goal for 2050, supported by interim targets to be reached in 2015.

Who monitors success?

Leading plans are led by senior executives and linked with remuneration for senior management. Assurance processes such as external panels and advisory groups add credibility.

Steps to sustainable success

Based on our research, our work with clients and our own thinking on what sustainability means, we have developed a model to help clients think about and develop an effective sustainability plan.

The elements of a plan

Early stage plans are like a small plant with limited roots, or broad, outline targets and timescales. As these are developed and refined, the roots spread giving a healthier, stronger foundation to the plan.

The breadth of the plan is akin to a tree's branches. Early stage plans have a narrow focus, maybe concentrating on a single issue such as environment, and only looking internally at the immediate workings of the company. As the plan develops and evolves, the branches grow, reaching out to incorporate more issues and more stakeholders, until the plan encompasses the entire business operation.

Elements of a well-developed plan

- Commercial – rooted in the business strategy
- Triple bottom line – covering the most important economic, environmental and social impacts
- Holistic – beyond core operations to include value chain, distribution and customers
- Targeted – long-term goals alongside concrete interim targets
- Engaging – effectively communicated and working in partnership on shared priorities

Mapping plans

Our model divides the core elements of a plan – the roots and branches – into ten strands, covering all aspects of the plan and the supporting business operation. We have then further analysed these strands and mapped their evolution across five steps, ranging from a very basic, early stage plan through to a leading plan that achieves full sustainability as we currently understand it.

Our toolkit enables companies to analyse their plan and map the elements across the different steps. This provides a detailed assessment of progress and identifies areas of the plan for further development.

The model helps in three ways:

- To understand where you are with your plan
- To identify where you want to go next with your plan
- To define the steps needed in order to get there

Elements of a plan

Roots

- targets
- timescales

Branches

- business strategy
- material issues
- leadership
- value chain
- employees
- consumers & products
- policy & advocacy
- communications

Fifth Step

Covers all business operations along entire value chain; linked to performance; reflects global priorities. Tasks the business with creating a sustainable world

Focus is broad, covering all operations and stakeholders

Fourth Step

Externally engaged – covering more operations, further along the value chain, works with other stakeholders

Third Step

Clear leadership from CEO; internally embedded and beginning to reach out to work with peers

Focus starts to widen to more issues and other stakeholders

Second Step

More specific measurements in place; attempts to engage employees and suppliers. Reactive not proactive

First Step

Outline targets and commitments on environmental and social issues, with broad timescale

Focus is narrow, on limited internal issues

Conclusions

Sustainability plans are still relatively new, and even the most sophisticated ones are works in progress.

It may in fact be argued that a plan will always be a work in progress, because our understanding of sustainability, our knowledge of what can be achieved and our expectations of companies will continue to evolve and change. The final level of our model is not an indication of sustainability achieved – it is sustainability achieved for now, but we would expect that companies at this stage continue to look forwards and adapt their plans accordingly.

Sustainability plans help companies to define and commit to their place in the world. They go beyond corporate responsibility and sustainability reports, to make public commitments to long term improvements, with a well defined map of how to get there. Crucially, more advanced plans show a company's relationships with the wider world, not only committing to improvements within their own business operations and through their value chain, but to contributing to wider policy development at national and international level, and the achievement of global ambitions such as the Millennium Development Goals.

Sustainability plans act as a public commitment to improvement, and enable companies to be held to account by their stakeholders. The focus on the communication and branding of plans, with microsites, interactive features and links to social media, help to engage new, wider audiences.

Sustainability plans present the next stage on the corporate citizenship journey, where environmental and social responsibilities become just as much a part of business as usual as economic ones, enabling business to make a full and equal contribution to securing a sustainable future.

Corporate Citizenship

11

Corporate Citizenship is a specialist global corporate responsibility and sustainability consultancy

We believe our clients will achieve greater, long-term, sustainable success if they are also creating beneficial change for business and society.

From offices in London and New York, we help our clients make the smart choices that will enable them to survive and thrive in an increasingly challenging business environment. Corporate Citizenship promotes the idea that companies can be a force for good.

We advise a global client list on:

- strategy
- reporting
- assurance
- stakeholder engagement
- management of environmental risk
- community investment
- corporate giving
- supply chain
- brand communication
- economic impact

Our long standing clients include Unilever, Abbott Laboratories, Pearson, Barclays, Vodafone, Molson Coors, Diageo, Lafarge and ANZ.

We also manage LBG on behalf of its 100+ corporate members and publish the leading journal, *Corporate Citizenship Briefing*.



If you are interested in talking to us about our model and how it might help you, please do not hesitate to get in touch.

UK Office

Corporate Citizenship
5th Floor Holborn Gate
330 High Holborn
London WC1V 7QG

t: 020 7861 1616

e: mail@corporate-citizenship.com

US Office

Corporate Citizenship
241 Centre Street, 4th Floor
New York
NY 10013

t: +1 212 226 3702

e: info@corporate-citizenship.com

www.corporate-citizenship.com

