The latest issue of Radar ‘Beyond the Company: The Future of Sustainability Goals’ explores the expectation that corporate sustainability goals need to be based less on what a company thinks it can achieve and more on scientifically robust benchmarks, limits and thresholds.

As Andrew Winston (Meet Our Network) succinctly puts it, companies need to move “from a bottom-up, internal perspective on goal-setting to an externally driven agenda.” An increasing number of companies are beginning to set goals based on external benchmarks and AstraZeneca discusses its approach (AstraZeneca: Setting Science-Based and Fair Share Goals).

It is, of course, no coincidence that we are focusing on goals. The Sustainable Development Goals (SDGs) will put the spotlight firmly on the big environmental and social issues that need to be addressed in order to transition to a more sustainable economy. Some companies are already thinking about how the SDGs will impact how they go about business in the future (Sustainable Development Goals: What to Expect from Business).

In particular, we are pleased to shine a spotlight on the B Corp movement – and its ambitious goal ‘to redefine success in business’ (Redefining the Purpose of Business: B Corp UK). SustainAbility is proud to be a certified B Corp, it is great to see the global growth of this movement and support the launch of B Corp in the UK.

As always, we welcome your feedback – find us on Twitter, Facebook or LinkedIn.
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Janice Lao, MTR Corporation
Redefining the Purpose of Business: B Corp UK

We spoke with the key figures behind the launch of B Corp in the UK, as well as some companies in the B Corp community, to discuss their ambitions and how they see the movement developing.

What Benefit to Business?

Rachael Trotman, Marketing Executive at Yoti, explained, “We are focused on growing both profits and social purpose, on the positive outcomes of putting people back in control of their identity and personal data. The B Corps ethos of transparency fits exactly with our aim to make life simpler, safer and fairer, and supports our founding principle to be fair and personal data.

Another benefit is harnessing the power of the community - business coming together to have a collective voice on a fundamentally different way of creating value is very compelling. This is in contrast to businesses on their own who tend to be businesses that have a tight ownership group who limit their ambition, with both setting their sights on bigger leading names from each sector join the movement, “If we had a big retailer, a big energy company, a big bank – those are the three most controversial, but at the same time very powerful corporate styles that exist in, and are unique to, this market – whether it is a cooperative, a social business, or a for-profit.

Perry explains, “The whole process has been a very senior leadership about the company’s theory of change, its impact model and whether the company wanted one or should have one. But to date, the majority of companies had a big retailer, a big energy company, a big bank – those are the three most controversial, but at the same time very powerful corporate styles that exist in, and are unique to, this market – whether it is a cooperative, a social business, or a for-profit.

So you might also like...

B Corp Definitions

B Corps around the world: MaRS (Canada), Sistema B (South America), B Lab

Certified B Corporation: A business (for-profit or not-for-profit) that meets the B Lab (the non-profit that supports certified B Corps) standards of social and environmental performance, accountability, and transparency.

B Lab: A non-profit working to make business and markets more sustainable, and is proud to be one of the first five B Corps in the UK. Both are strong advocates for business as a force for good, and the B Corp movement in the UK. Both are strong advocates for business as a force for good.

B Lab UK: The first B Corp was certified in the US in June 2007. Since then, over 1,000 companies in 42 countries have been verified as meeting the B Lab’s standards of social and environmental performance, accountability, and transparency.

Amending governing documents or adopting benefit corporation (or B Corp) legislation is a key step for businesses looking to become certified B Corps.

A benefit corporation (or B Corp) is a corporation that exists to promote the public benefit. It is often described as a for-profit company that is committed to both profit and purpose. B Corps make their mission public, and are held to a higher standard of accountability and transparency.

The process of becoming a certified B Corp can enable you to

- Communicate your mission to stakeholders
- Add a Certification mark to your logo
- Access capital

Influence other companies to innovate as we can contribute to broaden the network and “Being a B Corp challenges us to be better day by day. You might also like...

You might also like...
Sustainable Development Goals: What to Expect from Business

What to Expect from Business

We believe a meaningful contribution to the SDGs should be aligned with the core business. We have only seen corporate activity around the edges, we trust that there will be much more to come.

So, back to our original question: How might the new framework and SDGs impact how we go about corporate sustainability and CSR in the foreseeable future?

What can companies not only bring to, but also get out of, the SDGs?

Making the business case and seeing market potential in the SDGs. As one company representative commented, "We know the MDGs were shaped by a few sharp minds and they achieved a brilliant simplicity, but for us to mobilize investment through such high-level goals, we need to be able to take it to the heart of business as a viable investment."

Market potential includes all kinds of alignment with material issues and necessarily ambitious goal-setting we hope to see. Some companies will be able to dive into the SDGs, others will find themselves daunted by the breadth and size of the SDGs. Many companies will find themselves working on materiality analyses. If you fail to see alignment with one SDG or target, there is a risk of not seeing materiality.

We know that companies are starting to look across their portfolios or imagine new ones – can only factor now – for evaluating its current societal contributions of our technologies we get a new language and we can make ourselves much more competitive partners in development.

Making societal contributions to the SDGs fundamentally articulate the shortcomings in human development, and the SDGs make clear the "need for access to medicine as a material issue that is truly shared sector-wide. We can point to GSK, which has set itself a target of supporting one billion patients in 2014 as the baseline of 165,000 direct suppliers and 695,000 indirect suppliers."

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What's more, it just isn't practical. We need to see the SDGs being talked about at the highest levels, a few key issues to be identified as aligning strongly with core business competencies. What's more, even if not always perfectly but what's more, even if not always perfectly but for the right reasons we need to know it can achieve.

Handling complexity

It's all about taking the strategic decision to be a compelling partner in development agenda. The question is, "Who is it that we can become more aware of, and engaged in our portfolio or imagining a new one?"

So it is that while the SDGs fundamentally articulate the shortcomings in human development, that we made sure to set ourselves for where we are in the world, it certainly will need to shape and fit our business decisions.

The SDG Compass guide will outline five key steps, a database of activities of a company. Is this what business is gearing towards? We trust that companies with a strong sense of one billion patients in 2014 as the baseline of 165,000 direct suppliers and 695,000 indirect suppliers."

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Andrew Winston: The old maxim, 'what gets measured gets managed' is trite because it's true. You can't measure or manage your progress toward an outcome without some kind of target. As companies set bolder and more ambitious goals – will continue to grow in importance.

A strategically scaled of challenge) and strategic (aligned with business objectives) goals – do you think a goal can

Much of the focus is now shifting to the external context for goals, but equally important is the bottom-up, internal perspective on goal setting. You might also like...

What would be your advice to companies that don't set goals, or are not fans of the ambitious approach?

What would you say to companies that are fearful of over promising and under delivering?

What have you observed has changed in goal setting since the publication of the Big Pivot and the future of goal-setting in companies.

Andrew was talking to...

As companies set bolder and more ambitious goals – will continue to grow in importance.

A single goal may not need to hit all attributes perfectly, but a slate of goals can. A strategically scaled of challenge) and strategic (aligned with business objectives) goals – do you think a goal can

Finally there seems to be a call for more precise (about the change needed), ambitious (relative to the scale of challenge) and strategic (aligned with business objectives) goals – do you think a goal can

As a result of that, there are three key things that the Pivot Goals framework is trying to do. Actual progress toward a target is the key. That's much more important than the target itself. It's about the process, the journey, the steps. It's about what people do, how they interact, who the leaders are, what the company's purpose is to maximize short-term earnings – but you could do literally anything to

There are a few obvious leaders. In our database, Unilever ranks number one. It's a true ambitious goal – the company's purpose is to maximize short-term earnings – but you could do literally anything to

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The problem with this model is that it presumes relatively equal consideration of social, economic and environmental needs, and fails to reflect the interdependence of these three aspects. Indeed, the current economic model is often referred to as the GDP model, which measures the amount of goods and services produced within a country, but fails to account for the impact on the environment and society. The GDP model is limited in its ability to reflect the true value of production, as it does not consider the negative externalities such as pollution and resource depletion, nor does it account for the non-economic benefits such as health and well-being. As a result, the GDP model is not a sustainable indicator of progress and does not accurately reflect the true costs and benefits of economic activity.

The solution to this problem is to adopt a more sustainable mindset, one that recognizes the interdependence of social, economic and environmental needs. This requires a shift in thinking that acknowledges the need for a more holistic approach to development, one that recognizes the importance of the environment and society, and seeks to balance these needs with economic growth. Mindset maps can act as framing devices that give people something to use as a filter or guide, to organize or even advance their thinking. The mindset map shown in the image is one such example.

To change our direction, we need to change our map. This is a call to action for us all, to think differently about the world we want to live in, and to work towards creating a more sustainable future.
Janice Lao: Our vision is to be a leading multinational company that connects and grows communities with caring service. At MTR, we are very clear about what our purpose is and why we exist.
As the chorus of voices urging for an ambitious climate deal in Paris gains momentum, business needs to define its role in the post-COP21 conversation. As noted by Nigel Topping of the We Mean Business Coalition, six major energy companies have reported their emissions to COP21 but in the levers they can pull to define the new clean energy economy. Several businesses are setting ambitious science-based targets, many are reporting their emissions to their stakeholders to show they’re on the right track. There are also signs that leading businesses are already building a carbon price into their business operations and investment decisions.

As the number of people who have committed to the Paris climate deal continues to rise, it’s important to consider what the implications of the rapid development of artificial intelligence and automation are. The rise of the robots is not just a story about productivity gains; it’s also a story about how we design the workplace of the future. As the world of work changes, rather than disappear, as the rise of automation will first require increased investment in learning and skills. It is increasingly important to consider what then are the implications of the rapid development of artificial intelligence and automation to solutions to challenges but also raise concerns over wealth distribution, job and skill requirements, and implications of the rapid development of artificial intelligence and automation. Doing so, we will see a flurry of activity from companies voicing their support for a strong Paris outcome and the implications of the rapid development of artificial intelligence and automation.

Rising Food or Labour Costs

So far, we have seen a lot of focus on new technology and innovation in relation to rising food or labour costs in the restaurant industry, some California start-up, Miso, has so far deployed tireless robots to take orders or work in the kitchen. The rise of the robots means that an increasing number of tasks that require human nuance are being assigned to algorithms, which creates a backlash over executive pay as shareholders at Tesco, HSBC and BP voted over executive compensation rising, which has been a long-term concern of shareholders. For example, at HSBC, the board of directors has recently approved an increase in the CEO’s base salary and bonus, which has been criticized by shareholders as being out of line with the company’s performance. At Tesco, the board of directors has approved a £5 million increase in the CEO’s salary, which has been criticized by shareholders as being too high.

A deeper understanding of systemic impacts and challenges of pay polarisation are beginning to articulate of the discomfort that is also arising from the rate at which technological progress is taking place and the inability to manage some of the impacts and the risks associated with it. We have seen a lot of optimism around what technology can deliver in terms of helping us take on the biggest challenges we face today. Recent technological breakthroughs offer solutions to challenges but also raise concerns over wealth distribution, job and skill requirements, and implications of the rapid development of artificial intelligence and automation.

A flurry of activity has also been observed from companies looking to replace ‘expensive’ employees with $5 an hour workers. Some are reporting that the rise of automation will first require increased investment in learning and skills.

Looking Ahead to and Beyond COP21

“Climate Change is a global issue that requires a global response,” said the Pope in his recent encyclical. There are a lot of challenges that we need to face as a global community, but one of the biggest is climate change. It is a global issue that requires a global response, and we need to start thinking about how we can work together to solve it. The global landscape is much more interconnected than ever before, and we need to start thinking about how we can work together to solve it. The biggest threat to our future is climate change, and we need to start taking action now to protect our planet.

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AstraZeneca: Setting Science-Based and Fair Share Goals

In our 2013 report Changing Tack we highlighted science-based goals as one of the ways for companies to act on the best available science to approach operations in ways that resolve underlying systemic challenges. Recent research by Pivot Goals (a database of the environmental, social, and governance targets set by the Fortune Global 500 companies) shows that although 75% of Fortune 200 corporations have sustainability goals, only 14% of these goals qualify as science-based (as of September 2014). While there is still a long way before science-based goals are adopted by a majority of companies, we are starting to observe an increasing number of companies who are assessing their ‘fair share’ of global carbon emissions, based on their economic contributions to society, to determine what their part to cut back emissions should look like. Pharmaceutical company AstraZeneca has been focused on developing new goals for environmental sustainability that enable the company to take on a fair share of responsibility. They are among a select group of companies that are part of the Science Based Targets Initiative, a multi-stakeholder initiative helping companies estimate their fair shares of emission reductions in order to reduce CO2 emissions in line with the science of the IPCC by following a sector-based decarbonisation approach. We recently spoke with Wesley White, Director of Environmental Sustainability at AstraZeneca to better understand one company’s approach to fair share and science-based goal setting.

For AstraZeneca the alignment between goals and overarching vision for the Safety, Health and Environment area of the business is clear. According to Wesley, “Goals allow us to hold that vision against everything we do from a day to day perspective. We don’t want to view this as an afterthought; we want keep people and the planet safe and healthy in everything we do, and we want that to be front and center in employees’ minds in everything they do.”

The decision to explore science-based goal setting was driven by the Environmental Sustainability Advisory Board, comprised of four leading global sustainability experts who urged AstraZeneca to incorporate the concept of fair share into goal setting. Currently the fair share concept is only being applied to environmental sustainability but Wesley acknowledges that in a healthcare company they need to consider what setting science based targets in other impact areas may look like such as access to medicine. One example of an existing goal that addresses a problem whose scale and scope has been established is Healthy Heart Africa, a recent initiative that has set an ambition to ensure 10 million patients with hypertension are on treatments that control their condition by 2025. This supports the WHO ‘25 by 25’ global monitoring framework for preventing and controlling NCDs and - if achieved - would address a quarter of the WHO hypertension target in Africa.

Wesley notes that the challenge with applying science-based criteria to other areas of sustainability including waste and water, and indeed in the realm of social impacts, is the lack of methodologies grounded in science in these areas against which companies can measure their performance. Even when focused on carbon emissions, the science-based criteria only applies to Scope 1 and 2 emissions. However, in anticipation of future developments, AstraZeneca has gone beyond that to include some Scope 3 emissions in the operational target and hold flat that operational footprint in absolute terms, while pursuing a near doubling of business revenue. AstraZeneca has committed to modifying targets (though not relaxing them) as the shape of the business changes and the science evolves with the view to holding themselves more accountable to stakeholders. This includes the scenario of change in revenue growth for example, or changing nature of supply chains.

Wesley is mindful that fair share as a concept doesn’t resonate with everybody and he realises that some may question why leading companies are only doing their fair share, and they could be doing more. But each company to their fair share to meet the climate challenge is very ambitious and we should encourage other companies to anchor their thinking around this approach. “It is the only mechanism, though not entirely perfect to address the 2°C challenge and to scientifically set a target that is defendable.”

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Changing Track: Extending Corporate Leadership on Sustainable Development Business progress on sustainable development during the last 25 years and examines how to make meaningful and scalable progress in response to the growing urgency of economic, social and environmental challenges.
In Model Behavior II: Strategies to Rewire Business we acknowledge that many companies, which are flourishing financially, are inherently unsustainable. There is an opportunity to do business differently, but it requires moving beyond mere product or process innovations for sustainability.

Our latest research outlines key forces influencing business model innovation for sustainability, the pivotal role of company culture to foster innovation, and distinct actions that internal innovators can undertake to advance the development of more sustainable business models. Featuring in-depth case studies about large, multinational companies, this report demonstrates how Fortune 500 companies can innovate their business models. In particular, Model Behavior II provides sustainability innovators inside large companies with perspective on how to approach business model innovation for sustainability and offers tools to drive that conversation forward.

Citystates II
The Case for Corporate Leadership in Urban Sustainability

Aligning the sustainability efforts of global companies and cities can bring unique benefits for both. For cities: the chance to extend their reach through a cadre of highly focused, influential partners capable of innovating and mobilizing others. For companies: opportunities to deepen relationships with customers and stakeholders, to experiment with radically new products, services and business models, and to extend and enhance their positive environmental and social impacts.

This second report in our Citystates series, The Case for Corporate Leadership in Urban Sustainability, explores the opportunity side of this agenda, focusing especially on the case for more companies to take a bolder leadership stance, and providing insight and tools to further accelerate activity in this arena.

The 2015 Sustainability Leaders
A GlobeScan / SustainAbility Survey

For SustainAbility and GlobeScan’s annual Sustainability Leaders Survey, we asked expert stakeholders representing business, government, NGOs and academia across 82 countries to evaluate the progress that institutions have made since the 1992 Earth Summit and reflect on their expectations for the next 20 years.

The results of this year’s survey reinforce the long-term trend of remarkable performance by non-state actors. Primarily NGOs — but also social entrepreneurs, research institutions and social change movements — have played profound roles in driving the sustainable development agenda, when governments and multilateral organizations often faltered and disappointed. Only a 5% fraction of the 800 sustainability experts surveyed gave a positive evaluation of the performance of national governments since 1992. The bar is rising for the private sector to take a leadership role along with local governments and research institutions.
You might also like...
The Wall Street Economy
Akash Chopra & Kripa Raj첩스 Phillips | Simon & Schuster 2015
What the Wall Street press, Aardvark camel walkers, and gangsta rappers have in common. The authors of The Wall Street Economy dispacthely tell it all, and supply many other fascinating examples of innovation at society's fringe. Through an intriguing review of business precisations and media puppets, to contemporary0aparitions — from car manufacturers, to oil companies, to the world's largest charity organizations. A wry and菲派y read for anyone interested in what's really going on behind the scenes.

Rochelle March | @EarthofFoxes

FIND OUT MORE

Rising Strong
Brené Brown | Random House Publishing Group 2015
Brené Brown's work on courage, vulnerability, and shame, grounded in qualitative research and storytelling, has sparked a global conversation on these themes in the past several years. Now she adds resilience to the mix in her book Rising Strong to examine the characteristics of mind and emotional patterns that enable people to transcend the "facedown moments" in life such as heartbreak or professional setback. She also uncovers the three attributes of resilient leaders providing food for thought on our work at SustainAbility, helping shape what leadership on achieving sustainable development looks like.

Rida Bilgrami | @RidaHB

The Misfit Economy
Alexa Clay & Kyra Maya Phillips | Simon & Schuster 2015
What do Somali pirates, Amish camel milkers, and gang leaders have in common? The authors of The Misfit Economy can eloquently tell you, and supply many other fascinating examples of innovation at society's fringe. Through a review of historic provocateurs and misfit geniuses, to contemporary opportunists and ingenious survivalists, Clay and Phillips successfully illustrate that we all have something to learn from society's black sheep.

Through five different "hacks" for unleashing your inner misfit, including examples of hustling, copying, provoking and pivoting by the world's most interesting — and very successful — members of the fringe economy, one is inspired to imagine unique business models that can transform today's culture for the better. While many of the included lessons are taken from criminals and rather sketchy figures (such as con men), a main message resonates: nurture the unconventional and anti-status quo for the sake of innovation, individualism and continuous creativity.

Rochelle March | @EarthofFoxes

Thinking Fast and Slow
Daniel Kahneman | Penguin 2012
Written by one of the founding thinkers of Behavioral Economics and a psychologist who won the Nobel Prize in Economics, Thinking Fast and Slow explains two systems that drive the way we think. The glitches in our thinking often emerge from not understanding how these two systems —System 1 is fast, intuitive and emotional; System 2 is slower, more deliberate and logical — interact to shape our judgments and decisions.

An excellent foray into how choices are made in both businesses and our personal lives that unpacks the cognitive biases associated with those decisions that sometimes get us into trouble. Some of my favorite examples discuss being shown visuals that then subconsciously affect how one's decisions play out (called "priming"), or the many strange effects associated with risk-taking and the Systems' complicated modes of managing expectations associated with such risk (such as disasters, surgery and stock market investments). A thorough and interesting read for anyone intrigued by neuroscience, why we choose what we do and the often behavioral incongruence between desire and decision.

Rochelle March | @EarthofFoxes

Valuing Natural Capital, Futureproofing Business and Finance
Dorothy Maxwell | DōShorts 2015
Provides a concise overview of the importance of natural capital for today's global economy and how businesses can account for their impacts in order to manage risks and sustain in the future. Author Dorothy Maxwell explains the business case for valuing natural capital, presents various approaches and case study examples, and also reviews the current context, challenges, and next steps in the field of natural capital accounting. She points out the crucial need for such accounting in order to avoid the "future shock" that businesses may face when profit is wiped out as natural capital costs are internalized through regulation and taxes.

The business case and various techniques for valuing natural capital are supported by numerous examples including United Utilities, Deon Chemical Company, the German Estate, Otto Group, Patagonia, and Marks and Spencer. Each example illustrates a different approach to valuing natural capital but all examples derive evidence of the business benefits of accounting for these impacts.

The short book is a handy resource for sustainability practitioners looking to better understand natural capital and the business case for valuing these impacts. Each example provides food for thought about integrating this kind of valuation into one's company's strategy and accounting.

Margo Mosher | @FosteringLives

Thinking Fast and Slow
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On Our Bookshelf:
What We Are Reading

A round-up of a few of the books that have influenced the thinking and work of the SustainAbility team recently. What books have you #BeenReading?

Let us know, via Facebook, Twitter and LinkedIn.