



### **Alan Knight** Comment

## **Boardrooms' role in the sustainability challenge**

- Board members have a crucial part to play in identifying the 'unique contribution' their business can make, through more sustainable goods and services, to meet the challenges of a changing world.

By 2050, the planet will be a vastly different place. Global megatrends including population rise, increasing global connectedness, increasing resource constraints, changing weather patterns and shifts in consumer values will usher in a new and unprecedented operating environment for businesses. These issues will present opportunities as well as challenges for organisations ready to tackle them.

There are not enough resources to supply the seven billion lives being lived all around the world right now. In fact, we would need three planets' worth to give everyone the quality of life that those in the UK living above the poverty line enjoy today. By 2050, there will be nine billion people in the world. If we cannot serve the seven billion today, it is clear we must transform the way we provide quality lifestyles to stand a chance of serving the nine billion con-

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sumers projected for tomorrow. At Business in the Community, we call this the '9 billion challenge'.

Business is uniquely placed to change the way quality lifestyles are delivered so this 9 billion challenge can be met. For nine billion people to enjoy a good quality of life in 2050, we need to change our products, business models and what our customers perceive as high-quality living.

High-quality lives require thriving resilient economies that work in the context of finite resources, fragile eco-systems and where personal wellbeing is measured and valued as much as material wealth. We cannot hope to deliver this outcome through 'business as usual'. We need courageous business leaders to think about sustainability, challenge conventional business models and deliver new ways of doing things. This process must begin at the highest level in every business – in the boardroom.

At Business in the Community, we see this as a three-tiered approach: think, test, deliver. Board members first need to think about sustainability and what it means for their business. This will help them to identify the most important interventions or 'unique contribution' they can make to re-engineer their products, services and supply chains to address underlying environmental and social issues. Next, we ask them to test out new business models and ways of doing things. Last, we ask them to deliver this new model across their organisation.

The debate is moving from common asks of all companies around the trilogy of less carbon, less water and less waste, towards a more fundamental narrative around an organisation's contribution to society as a whole. There needs to be a balance between short-term business performance and long-term business resilience.

Creating such a balance is not an ethical choice, there is a strong business case. Organisations that recognise the global mega-trends impacting their business and plan for a changing world will be the market leaders of the future.

There are fantastic examples of companies who are pioneering new sustainable business models. Kingfisher has re-engineered its supply chain over the past 20 years to ensure every piece of

timber sold in its B&Q stores is Forest Stewardship Council certified as sustainable. Marks & Spencer is aiming to change the business model for the clothing retail sector through its 'shwopping' programme. This encourages customers to donate old clothes to Oxfam using in-store boxes before they buy new clothes, cutting down on clothing that goes to landfill. Heineken has stopped producing its super-strength White Lightning cider because of its impact on vulnerable people in society. It is instead focusing on products that allow customers to enjoy drinking responsibly.

Each one of these initiatives began in the boardroom where board members wanted to do more than solely deliver short-term financial results. They took brave decisions to challenge conventional models and are reaping rewards as a result.

By 2050, many traditional business models will no longer be feasible. Certain products and services will become obsolete or their production and delivery will be untenable. Business leaders must develop their thinking to challenge conventional business

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models to ensure their business prospers by responding in the right way, and at the right time, to these pressing issues.

Business in the Community is challenging boardrooms around the country to put sustainability on the agenda. Think about what it means for your organisation and what its unique contribution might be. Test a new sustainability initiative and learn from it. Then deliver this across your organisation. ■

*Dr Alan Knight OBE is sustainability director at Business in the Community. He chairs the UK Task Force on Peat, is a panellist on the UK Independent Panel on Forestry and is a founder of the Global Association of Corporate Sustainability Officers*