

SUSTAINABILITY – A DEFINITION

HISTORICAL BACKGROUND

The exact origin of the concept of sustainable development is debatable, but as can be seen from studying the “Sustainable Development Time Line”, available at the IISD web site (1), our understanding of man’s tenuous relationship with nature developed over a considerable period of time. An alternative view is available at the web site of “The Sustainability Report” (2) providing “An environment and sustainability chronology”.

Two important events along this road, were the arrival of the two concepts known as **sustainable development** and the **triple bottom line** respectively, enabling the capability of expressing complex relationships between current **economic, environmental, and social challenges**, as illustrated by the sustainability model as presented.

SUSTAINABLE DEVELOPMENT

The use of the concept sustainable development gained world-wide currency through the work of the UN Commission initiated in 1984 -- World Commission on Environment and Development (WCED), chaired by then Norwegian Prime Minister, Gro Harlem Brundtland. The report, – **Our Common Future** – published in 1987, became better known as the Brundtland Report (3), and stated that critical global environmental problems were primarily the result of the enormous poverty of the “South” and the non-sustainable patterns of consumption and production in the “North”. It called for a strategy that united development and the environment – described by the now-common term «sustainable development».

The most quoted definition of sustainable development resulted from the Brundtland report as ***“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”***

TRIPLE BOTTOM LINE (TBL)

The term “triple bottom line” was coined in 1994 by the environmental consultant, John Elkington, while looking for new language to express what he saw at the time as an inevitable expansion of the environmental agenda. He felt that the social and economic dimensions of the agenda – which had already been flagged in the Brundtland Report – would have to be addressed in a more integrated way if real environmental progress was to be made with special reference to the business environment.

The TBL, as described and presented by Elkington and his team, “focuses not just on the economic value a company or project add, but also on the environmental and social value they add – or destroy. At its narrowest, the term ‘triple bottom line’ is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters. At its broadest, the term is used to capture the whole set of values, issues and processes that companies must address in order to minimize any harm resulting from their activities and to create economic, social and environmental value. This involves being clear about the company’s purpose and taking into consideration the needs of all the company’s stakeholders –

shareholders, customers, employees, business partners, governments, local communities and the public."

"The three primary value drivers, economic, environmental and social could be considered as "continental plates" that are not stable; but in constant flux, moving independently from each other due to social, political, economic and environmental pressures, cycles and conflicts." (4).

The TBL concept took off during the late 1990's to a point where PricewaterhouseCoopers published a survey of 140 U.S. corporations in 2003, arguing that companies that ignore the triple bottom line are "courting disaster." The triple bottom line, PwC concludes, "will increasingly be regarded as an important measure of value." (5)

An increasing number of Fortune 500 companies now table their annual reports taking cognizance, through separate analysis and reporting, of the corporation's contribution to relevant aspects of the TBL within their sphere of operation.

SUSTAINABILITY MODEL

Sustainability and the TBL introduce the opportunity for an interpretation that is specific to the requirements of the user, effectively creating a model on which to base further communication on various aspects of the company as it relates to the sustainability challenges facing the company. Alternatively, the sustainability model could also be applied within the framework of a specific project.

Therefore, the interpretation of the sustainability model is subject to the user's own focus, as illustrated by the enclosed diagram, in this case part of a sustainability report produced by ConocoPhillips (6), firstly indicating the primary "continental plates" representing **economic**, **social justice** (also referred to as **human well-being**) and **environmental** issues within the organization.

From the overlap of the three primary areas (i.e. the TBL), emerge the 'shear zones' shown in this application as **socio-economic**, **socio-environmental** and **eco-efficiency**, listing in the diagram the resulting issues to which consideration is given and resources are applied within this particular company.

It is recognized that, like any simplification of a complex challenge, this definition has its limitations and detractors, however, it is a starting point that is comprehensible, and has achieved a degree of consensus as a reasonable entry point into a complex issue.

End notes:

This section has been extracted from an article – "Investing in Sustainability" – by Storm Le Roux and published in AIQ – Alternative Investment Quarterly Issue 18: First Quarter 2006 and also in Private Capital Journal Volume 4: Issue 2 (2006).

These publications by ISI Publications (www.isipublications.com)

- (1) SD time line on the IISD web site terminates at the 2002 World Summit on Sustainable Development held in Johannesburg.

<http://www.iisd.org/briefcase/timeline2002.asp>

- (2) An environment and sustainability chronology is available on the web site of the *Sustainability Report* (affiliated with the Institute for Research and Innovation in Sustainability in Canada)

http://www.sustreport.org/resource/es_timeline.htm

- (3) The full text of the **Brundtland report** can be downloaded from

http://en.wikipedia.org/wiki/World_Commission_on_Environment_and_Development

- (4) John Elkington is the Founder of SustainAbility, a London based environmental consulting company. (www.sustainability.com)

- (5) **The Triple Bottom Line**, by Steven F. Hayward | Mar 17, 2003, FORBES.com

http://www.keepmedia.com/pubs/Forbes/2003/03/17/5301/?extID=10047&data=triple_bottom_line

- (6) ConocoPhillips is an international, integrated energy company.

www.conocophillips.com