



Sustainability in Business

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Introduction:

Sustainability in business refers to a company's plan to lessen the damaging effects on the environment caused by its operations in a certain market. The sustainable business approach considers corporate operations' effects on the environment, natural resources, and future generations in addition to profits and returns on investment. At the business level, sustainability can be understood as adopting actions to lessen a company's negative influence on the environment, such as recycling, preserving non-renewable resources, and energy use. While managing operations to lessen adverse environmental impact is a crucial component of company sustainability, these kinds of activities are increasingly included into a more in-depth strategic approach on sustainability for firms.

What are the opportunities?

For a number of reasons, businesses integrate sustainability into their operations. Businesses will be impacted by environmental sustainability in several ways over time, including:

- Bringing in new customers: In the modern day, people are becoming more informed and conscious of the negative effects that unsustainable business methods and models have on the environment. Customers are putting more and more pressure on businesses to make their products more environmentally friendly. Consequently, there are increasingly more customers who care about the environment. Green marketing could boost a business's reputation, enhancing its brand image and having a noticeable effect. Businesses that make an effort to be environmentally responsible will stand a greater chance of gaining market share, which is likely to lead to more customers, client loyalty, and cost savings.
- Cost-cutting and striking a balance between sustainability and profit: Businesses are realising significant cost savings through operational enhancements connected to environmental sustainability, on top of the financial advantages brought on by increased competitive advantage and innovation.

Additionally, some other benefits include:

- Reducing waste, energy and material use, as well as the associated expenses.
- Reduction in insurance premiums and legal risk.
- Differentiation of the brand and/or products.
- Strive for innovation to develop new goods and meet the needs of new markets.
- A rise in investor interest.
- Increase the recruitment and retention of staff members who are concerned with sustainability and the environment.

What influences the decision ?

Internal forces are the most significant drivers of corporate sustainability. This includes a company's primary goal, which is to maximise profits. Engagement in sustainable business practises can also be greatly influenced by management and staff views and personal values. The topic of sustainability and its advantages for society is one that interests many managers and employees. They are able to advance sustainable business practises because they believe it is morally and ethically right to do so—that is, owners, managers, and employees agree that it is the right thing to do. Companies with senior management and owners who support ethical business practises are more inclined to implement those policies even without a thorough analysis of how it will impact sales, costs, and profitability.

Government laws and regulations, as well as customer and investor expectations and interests, are significant external influences that affect a company's decision to become more sustainable. The media, demographics, new knowledge, societal trends, and values all have a significant impact on these external elements. By seizing opportunities and minimising risks associated with an organization's economic, environmental, and social consequences, sustainable enterprises aim to maximise their net social contribution.

How can businesses undertake this transformation into being sustainable?

Businesses should start by acknowledging the finite amount of renewable and non-renewable resources on the planet. Businesses must examine their balance statements and determine whether their short-term gains are producing long-term environmental harm. After that, the next step would be to define for themselves goals for the environment, the climate, and pollution that were supported by science. In order to achieve "net-zero" operations, they

would have to embrace circular business models that efficiently reuse and recycle resources. The process could include:

- Commit yourself firmly to enhancing your environmental performance.
- Develop an environmental strategy.
- Identify the primary scenarios in which increased eco-efficiency will be advantageous.
- Define the various stakeholder groups for your company.
- Create an action plan and execute it.

Examples of sustainability in business:

- Using carbon accounting and alternative energy sources to increase energy management efficiency.
- Installing infrastructure that cuts down on greenhouse gas emissions, protects water resources, and eliminates waste.
- Operating flexible and effective supply chains to support a circular economy, promote recycling, eliminate waste, encourage sustainable consumption, and safeguard natural resources.
- Facilitating sustainable development by evaluating risks, enhancing resilience, and abiding by outside laws and development objectives.

References:

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