

Institute for Economy
and the Environment



University of St.Gallen

Business Sustainability: On the way to true sustainability?

Bluesign Conference, July 14, 2015
Prof. Dr. Thomas Dyllick



The good news is: More and more companies and executives report that their commitment to sustainability is strong and increasing



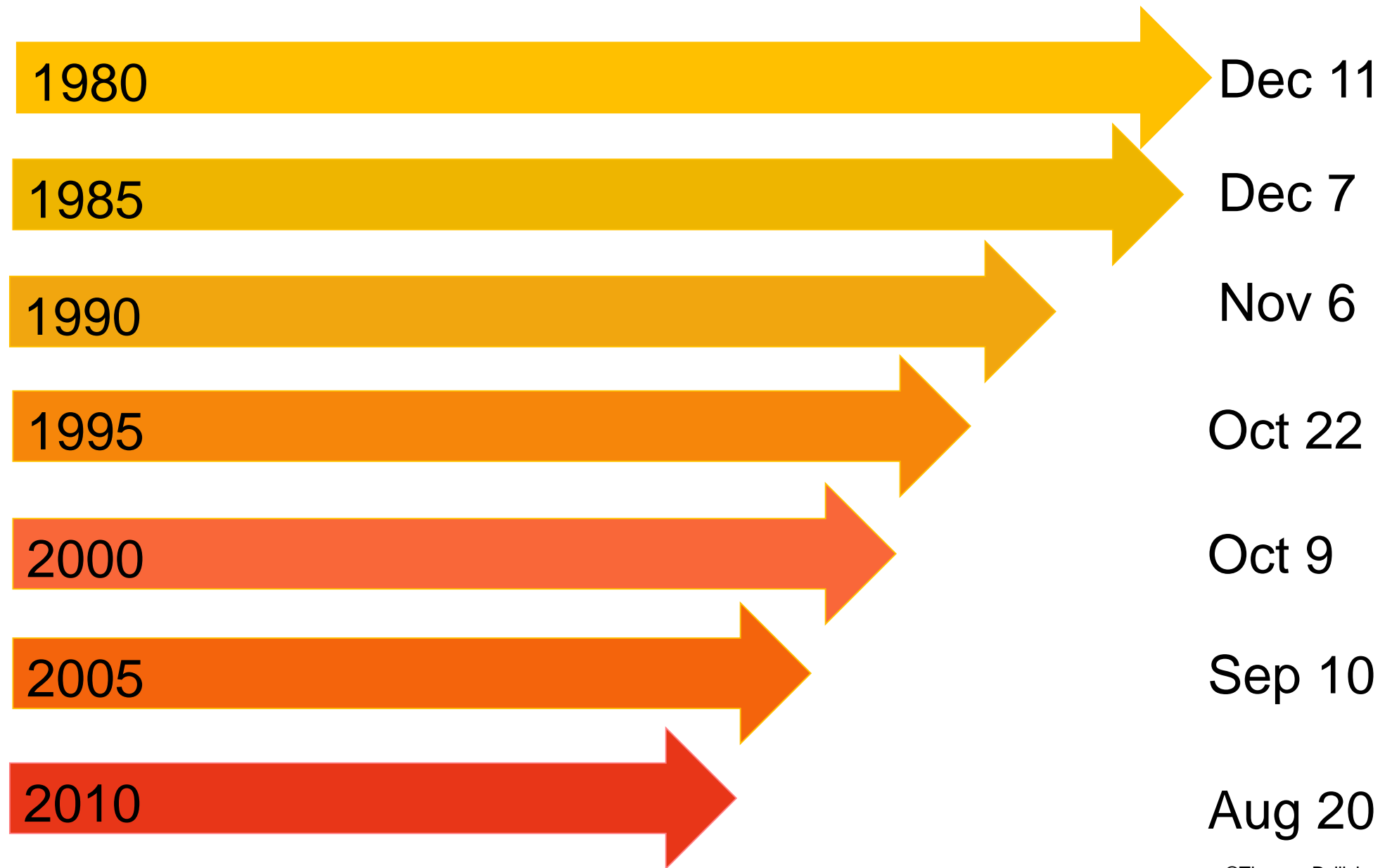
But somehow this good news is not reflected in studies monitoring the state of our planet

Ecological Footprint

2015	1,5 Planets
2050	> 3 Planets (at current trends)



Earth Overshoot Day: From 1980 to 2010



Millennium Ecosystem Assessment (2005): The balance sheet over the past 50 years

Enhanced (4)

Crops
Livestock
Aquaculture
Carbon
sequestration

Degraded (15)

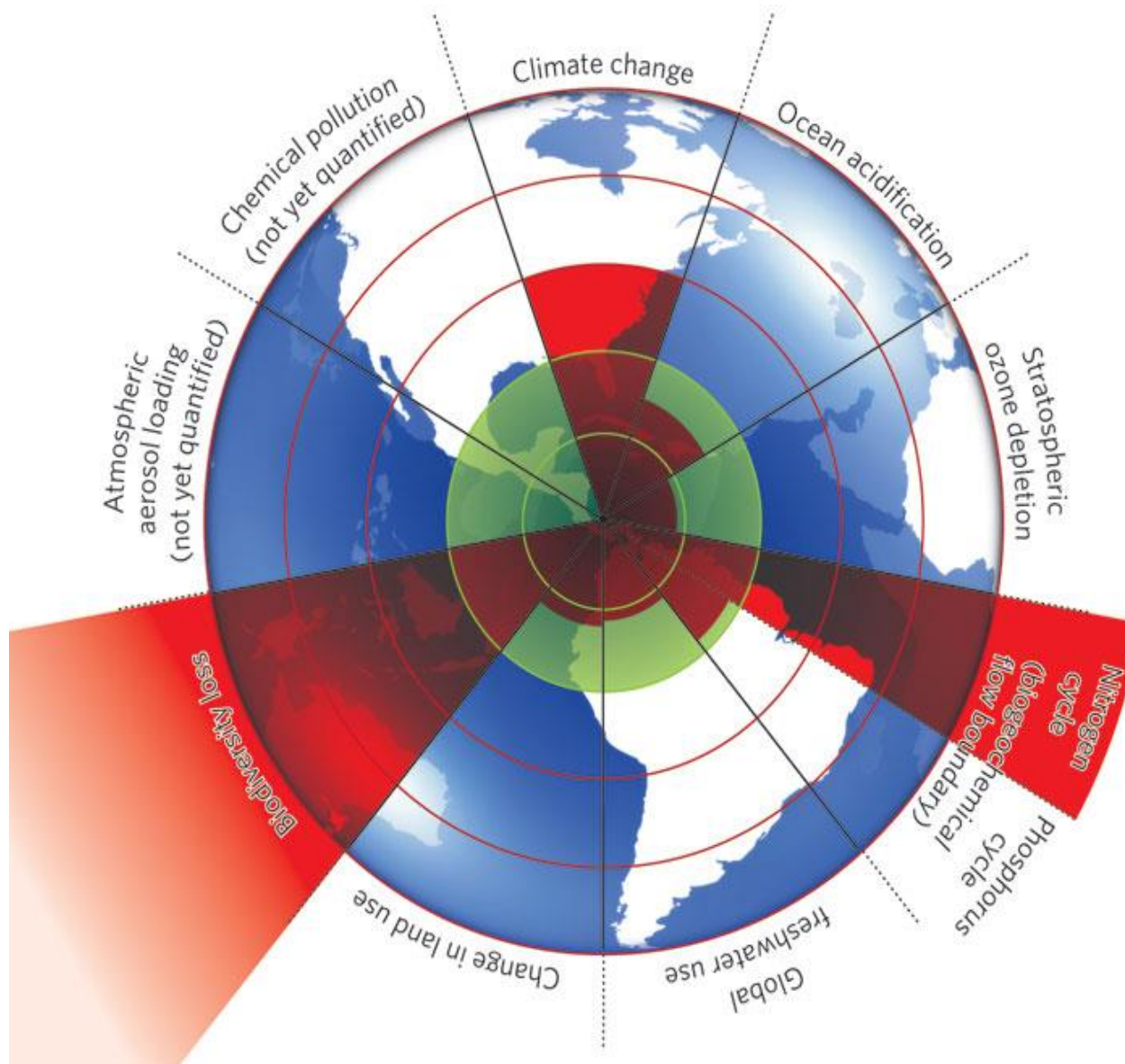
Capture fisheries
Wild foods
Wood fuel
Genetic resources
Biochemicals
Fresh Water
Air quality regulation
Regional & local
climate regulation
Erosion regulation
Water purification
Pest regulation
Pollination
Natural Hazard regulation
Spiritual & religious
Aesthetic values

Mixed (5)

Timber
Fiber
Water regulation
Disease regulation
Recreation &
ecotourism

**Bottom Line:
60% of Ecosystem
Services are
degraded**

Overstepping Planetary Boundaries



Overstepping boundaries

1. Climate Change
2. Rate of biodiversity loss
3. Nitrogen Cycle

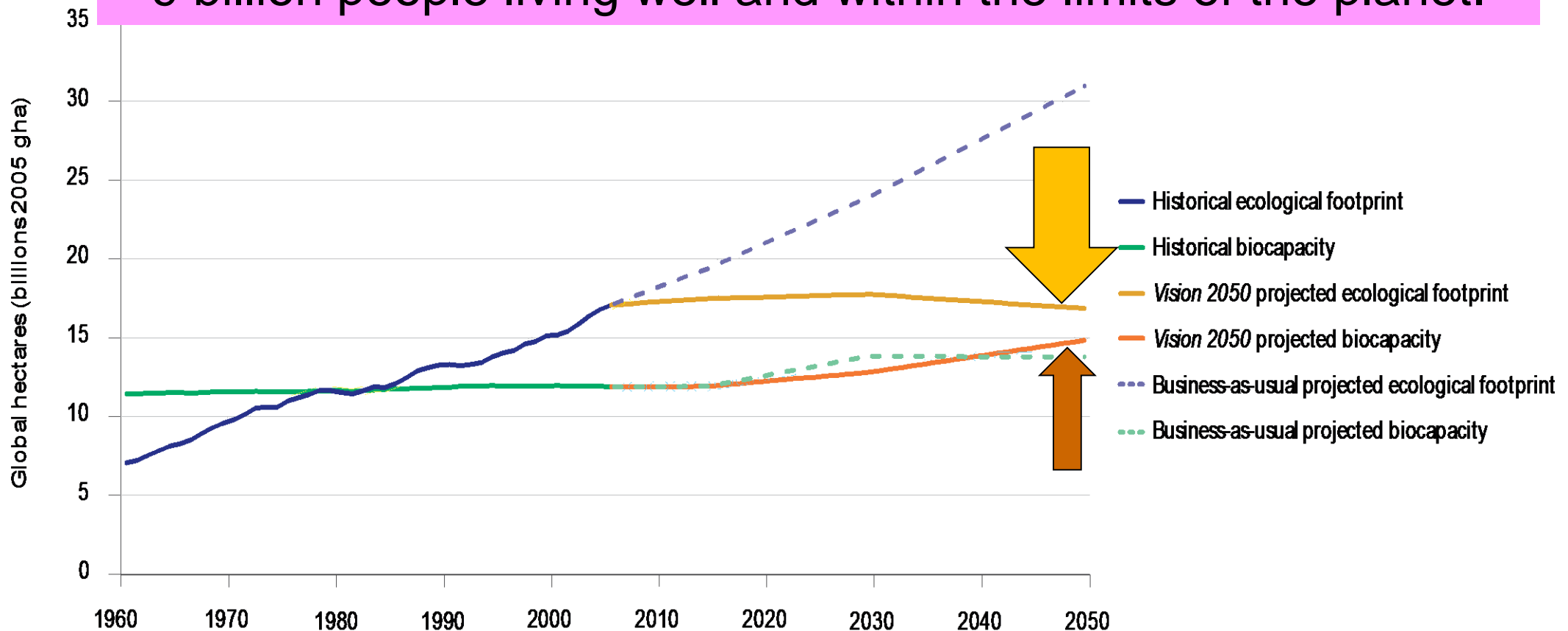
Approaching boundaries

4. Global freshwater use
5. Change in land-use
6. Ocean acidification
7. Phosphorus cycle

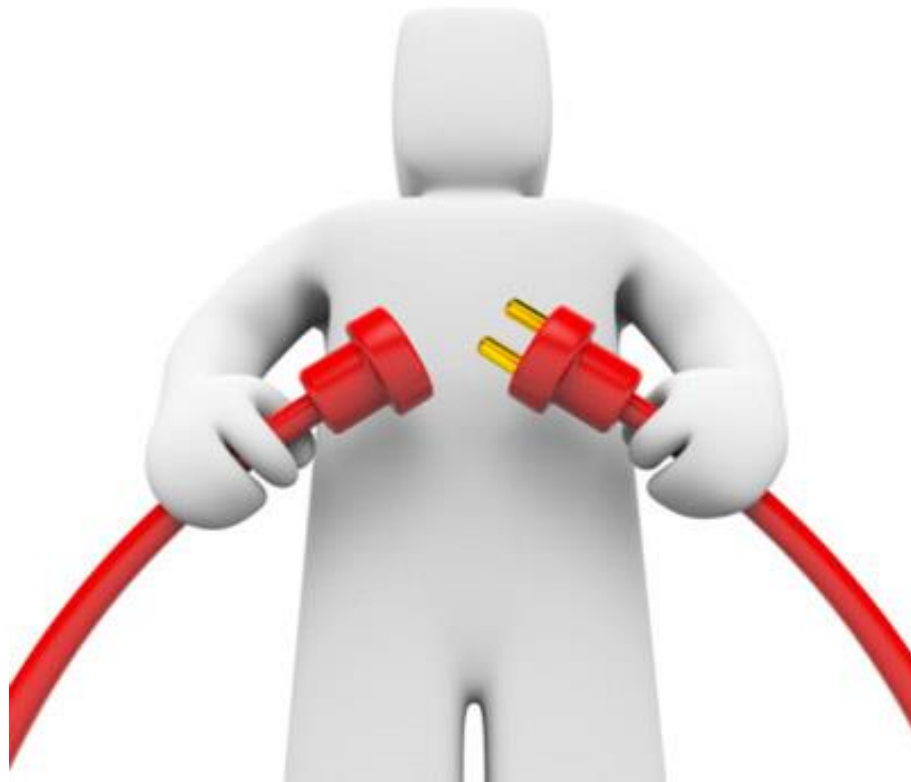
Reducing the ecological footprint *and* increasing the biocapacity – A gigantic task !

WBCSD: Vision 2050

«9 billion people living well and within the limits of the planet.»



What results from this discrepancy between micro level progress and macro level deterioration is a **big disconnect** between company activities and the global state of the environment and society

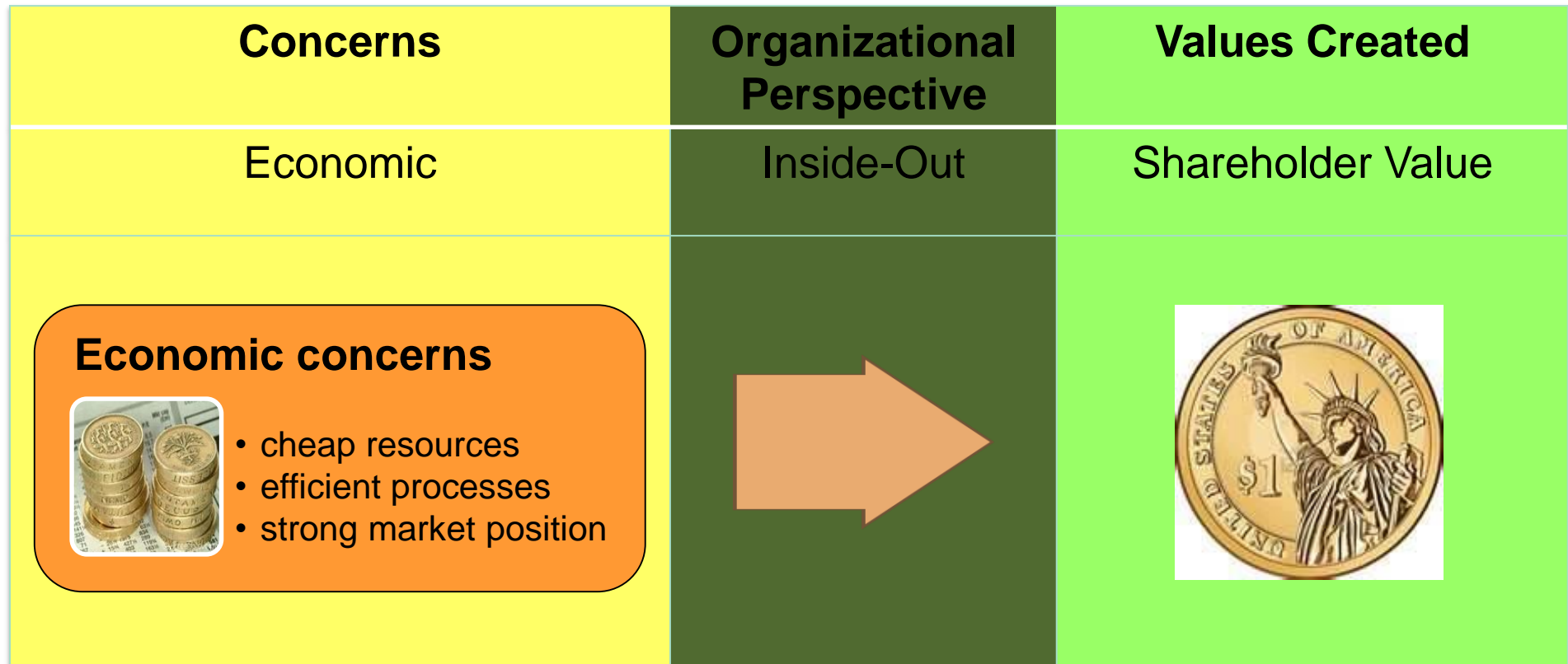


What is – or should be – «True Business Sustainability»?

Business Sustainability (BST): Analytical Framework

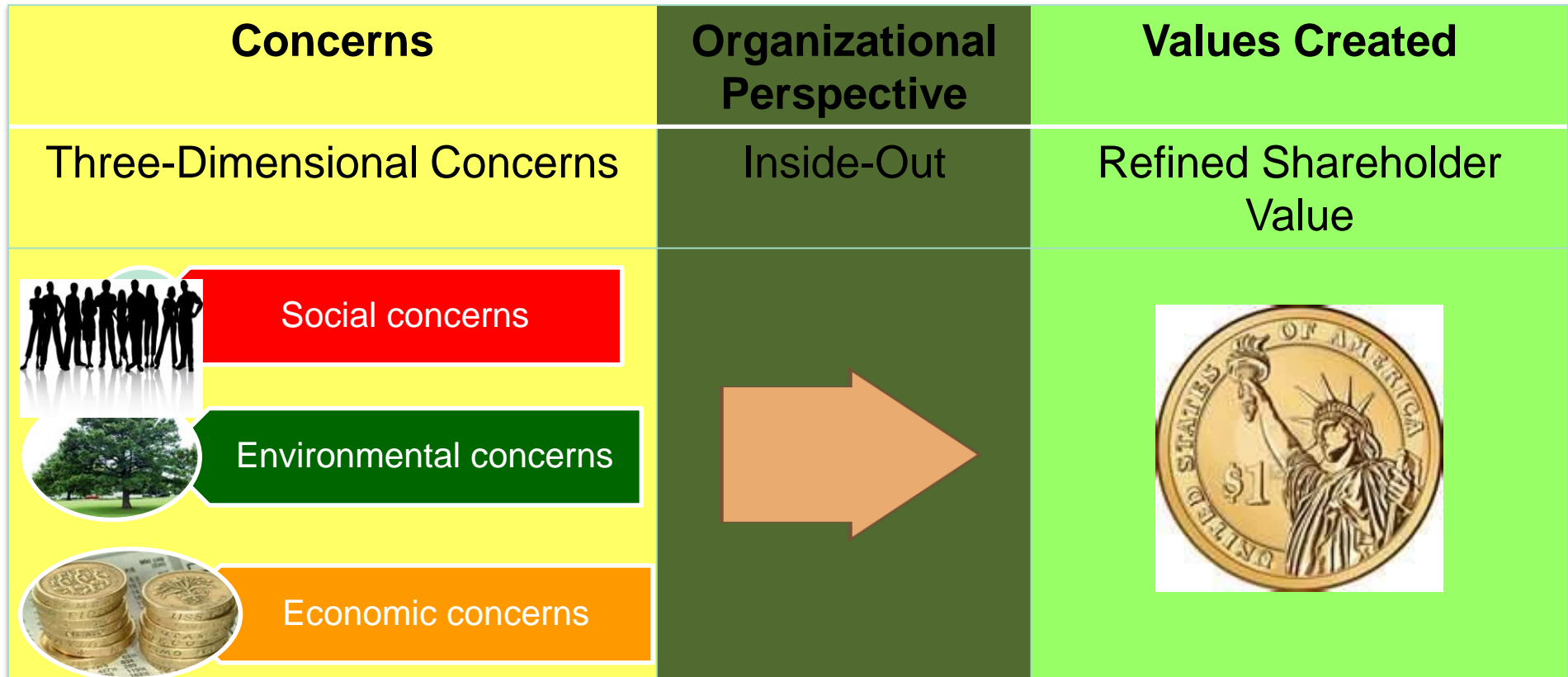
Input	Process	Output
Concerns	Organizational Perspectives	Values Created
What?	How?	What for?

Business-as-Usual: The Economic Paradigm



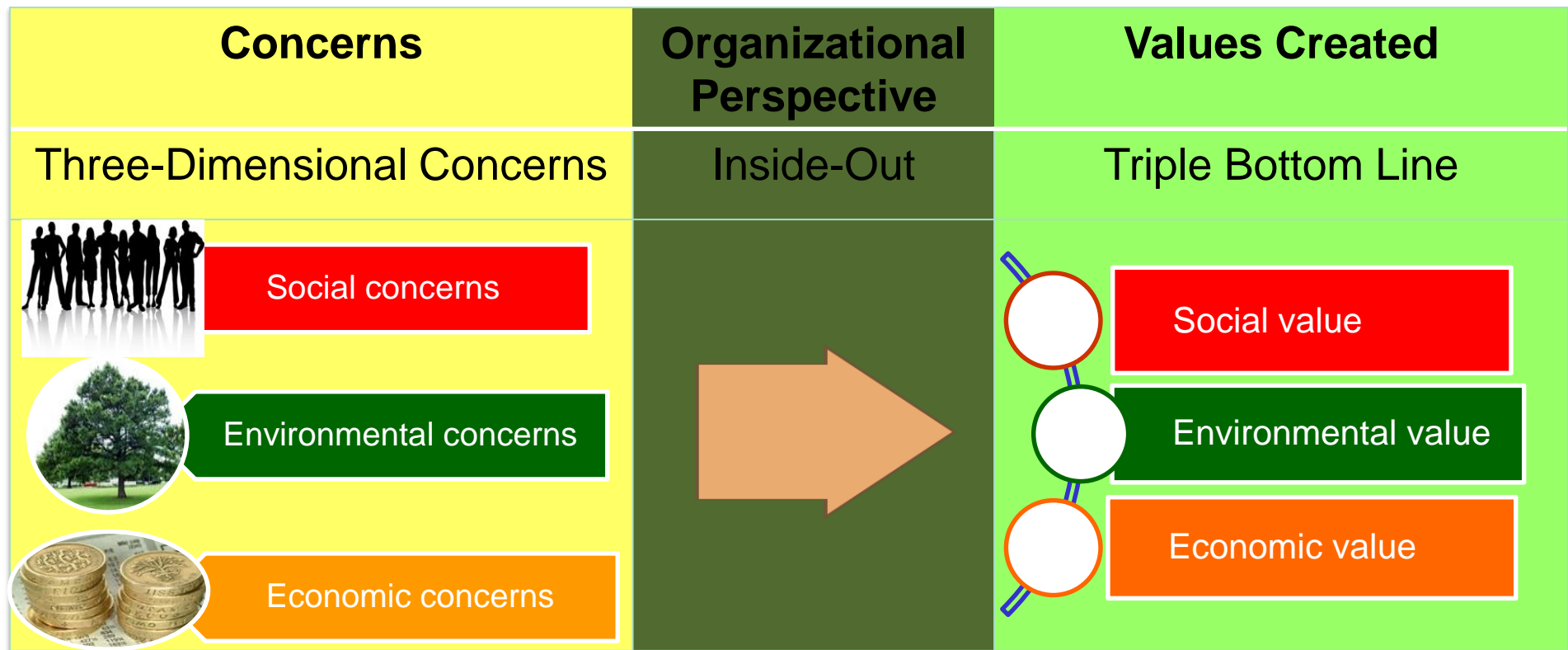
“The business of business is business” (Milton Friedman)

BST 1.0: Refined Shareholder Value Management



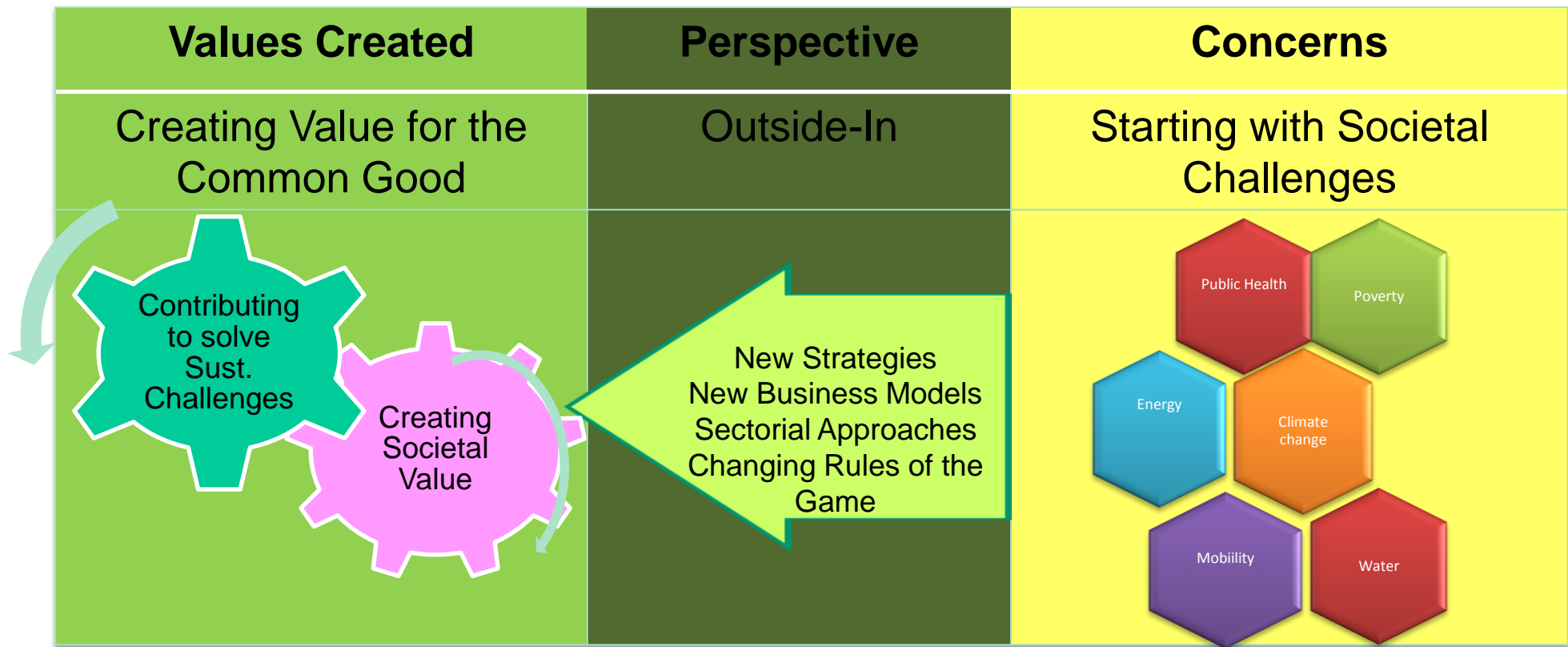
BST is an approach to business that creates shareholder value by managing risks and opportunities deriving from economic, environmental and social concerns.

BST 2.0: Managing for the Triple Bottom-Line



BST 2.0 means broadening the stakeholder perspective and pursuing a triple bottom line approach. Value creation goes beyond shareholder value and includes social and environmental values.

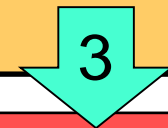
BST 3.0: True Business Sustainability



Truly sustainable business shifts its perspective from seeking to minimize its negative impacts to understanding how it can create a significant positive impact in critical and relevant areas for society and the planet.

Three Important Shifts in Developing BST

BST Typology	Concerns (What?)	Values Created (What for?)	Perspective (How?)
Business-As-Usual	Economic Concerns	Shareholder Value	Inside-out
BST 1.0	Three-dimensional Concerns	Refined Shareholder Value	Inside-out
BST 2.0	Three-dimensional Concerns	Triple Bottom Line	Inside-out
BST 3.0	Starting with Sustainability Challenges	Creating Value for the Common Good	Outside-in





«Every single social and global issue of our day is a business opportunity in disguise.»

Peter Drucker