Sustainability & the Triple Bottom Line
- A Forest Industries Perspective 21.9.04

A Sustainable 21st Century Dairy Industry
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The Rise & Rise of Global Sustainability

- Environmentalism => Global Sustainability
- RIO => WSSD; State of the Planet & People
- Sustainability Market & Industry
- The Brundtland Definition
- Trust => Mistrust

Sustainable Development

"...development (i.e. economic, environmental, social development) that meets the needs of the present without compromising the ability of future generations to meet their own needs...

...Sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs."

Drivers Global & Local

- Globalisation – economic/political
- Population Growth/Demographic Change
- Deep Divides – Rich & Poor – Stability & War
- Industry/Market/Regulation
- Crisis – Corporate/Environmental/Geopolitical
- Technology – Information/Biological/Energy
- Activism – Awareness & Trust


Global Leaders

- Multilaterals
  - UN, World Bank Group
  - OECD & EU
  - WSSD
  - Forest & Marine Stewardship Councils
- Industries
  - Mining & Minerals
  - Automotive
  - Environmental (Water, waste, Air)
  - Renewable Energy Industry
  - Gehrg Building Council
- Advocates
  - Elkington – TBL
  - Lovins & Hawken – Natural Capitalism
  - Gallop – Sustainability Science
  - Vandana Shiva
  - Gro Brundtland
  - Peter Garrett
  - WWF
- Corporations
  - BP & Shell
  - AVCO & VSB
  - Pacific Hydro
  - IKEA
  - Interface
  - Nike
  - Sainsbury’s
  - Quatra Bananas
  - Kaufland
- Countries/Cities
  - Netherlands
  - Germany
  - Iceland
  - Curitiba, Brazil
- Universities/Schools
  - Wuppertal
  - Lund
  - RMIT
  - RMIT & ATN
  - Schools for Sustainability (Australia)

Global Sustainability: New Knowledge & Industry

- New language: Concepts, Measures, Approaches
  - Natural Capitalism and Cradle to Cradle
  - Sustainability Science: Harvard
  - Complex Systems and Networks Theories: CSIRO
  - Triple Bottom Line Plus One (GS@RMIT)
- Alliance for Global Sustainability:
  - 4 Universities, Multidisciplinary, Multicultural, Team Based
- Sustainability Industry
- Scenarios

Approaches to Global Sustainability

- Natural Capitalism
- Cradle to Cradle
- GS@RMIT

Global Sustainability Scenarios

World Business Council for Sustainable Development

Global Scenario Group – TELLUS Institute

Business Council of Australia

Pentagon
**Scenarios**

- Boiled Frogs
- Geopolitical Crises
- Jazz Players
- Conventional Worlds
- Barbarization
- Riding the Wave
- Stormy Seas
- Changing the Crew
- Imagining the Unthinkable
- China Goes Green

**Triple Bottom Line + 1**

- Environment
- Social & Cultural
- Economic
- Governance

**TBL+1: Environment**

- Eco-efficiency
- Ecological Footprint
- Factor 4/Dematerialisation/radical resource productivity
- EMS/ISO 14001
- Industrial Ecology & Estates
- Local Agenda 21

**TBL+1: Social & Cultural**

- Child Labour
- Industrial/Employee Relations
- Health and Safety
- Community Participation/Consultation
- Human Rights
- Cultural/Linguistic Diversity
- Indigenous Land Rights & Use
- Social Entrepreneurship
- Ethical Leadership

**TBL+1: Economic**

- Full Cost Accounting (UNEP)
- Tax Breaks for Land Covenants
- Supply Chain Economics
- Socially Responsible Investment (SRI)
- Product Stewardship (Closed Loop)
- Bioregionalism
- GDP > GPI
- Accountability & Transparency
- Risk Management
- Dow Jones Sustainability Index
- Emissions/Rights Trading
- Companies Born Global
- Equitable Distribution of Wealth
- Shareholder Activism
- Limits to Growth

**TBL+1: Governance**

- Corporate Citizenship
- Trade Agreements
- National Sovereignty
- Voluntary Codes of Conduct (Mining)
- Responsible Care (Chemical)
- Integrity Pacts
- Community Right to Know
- Shareholder Democracy
- Extraterritoriality (Anti Bribery, Sex Tourism Laws)
- Covenants and Green Leases
- Stewardship Agreements (Forestry, Marine)
- Compliance (Local & National Legislation)
- International Conventions/Agreements
- Multilateral eg WTO, UN, WB
- UNDP Good Governance Model
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Forest Industries
Images of the Past
• Big Bad Blokes With Chainsaws Chopping Down Big Old Native Trees
• Bad Practices
• Few Protected Forests/Areas
• Uncaring, Aggressive, Old Fashioned
• Conflict Based
• Unloved

Grenades and Blockades

Brave New World

Community Expectations re Sustainability & Standards
Environmentalism → Sustainable Development
Improved Forest Science Practices
Threats to Natural Systems, Local & Global
Protected Areas
Demands
Industry, Resource

Brave New World

Challenges of Change - Operational
• Security of Resource/Sustainable Contracts
• Licence to Operate/Stakeholder Engagement
• Native Forests, Plantations, Old Growth, Red Gum & Water Catchments, Sustainable Yield, Harvesting Methods
• Enduring Businesses and Markets
• Whole of Supply Chain Involvement
• New Victorian Legislation

Beyond Grenades & Blockades

Challenges of Change – Socio-economic
• Trade Deficit
• Third Party Certification
• Regional Communities
• Value Adding
• Design and Materials Substitution
• Employer of Choice
• A Sustainable Future Still Contested

Beyond Grenades & Blockades
A Five Star Industry
Vision 2025

- Industry leadership and credibility around sustainability issues and change
- Whole of Supply Chain Presence and Co-operation
- Community Understanding & Support
- Environmental Credentials & Management Services
- The Business Case for Forest Industries

Native forests, plantations, agroforestry

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A Sustainable Dairy Industry

Environmental
- Water, Soil, Land, Energy
- Waste, Toxins, Run-Off, Salinity, Acidity
- Green House Gas Emissions
- Labelling/Standards
- Packaging
- Transport
- Environment Management Systems

Social & Cultural
- Consumer Health & Nutrition
- Regional Economies & Jobs/Skills
- Public Image/Social Licence
- Occupational Health and Safety
- Employer of Choice

Economic
- Profitability
- Real Costs e.g. Water, Energy, Waste
- Trade Issues
- Research & Innovation
- New Global Markets/Products
- Best Practice, Global Benchmarking
- Resource Productivity

Governance
- Trust and Community Support
- Standards & Codes
- Corporate & Social Responsibility
- Institutional Change
- Stakeholder Engagement
- Risk Management
- Certification
- Sustainability Reports
A Sustainable Dairy Industry
A Beautiful Thing

- Leadership & Collaboration
- Whole of Value Chain
- Sustainability Reporting and Codes
- Stakeholder Engagement
- Certification & Labelling
- Research & Innovation
- New Products & Markets
- Community Understanding & Licence to Operate