

SDGPlus Round Table Session, 1st July 2022

Corporate Sustainability – Opportunities and Challenges

Special Address

Integrating Sustainability as a Board Strategy

Prof (Dr) Colin Coulson-Thomas*

Our prospects are uncertain. Unsustainable growth, lifestyles and business activities are damaging the environment, reducing biodiversity, depleting natural capital and contributing to global warming and climate change.

The undesirable impacts of human behaviours upon the environment and their social consequences have reached potentially catastrophic levels. People want the benefits of unsustainable development and consumerism, but without their negative consequences.

Corporate accounting and reporting practices often conceal negative externalities. Damaging activities are hidden or tolerated and reported as ‘profitable’. Directors who do not challenge are morally responsible. In time, they may become legally liable for consequential harm.

Why should young and talented people who are worried about their futures trust you? Do stakeholders who desire more responsible business activities want to work with you? Are you part of the problem or could you collectively contribute to solutions?

Transition and transformation journeys to more sustainable operations and lifestyles must be accelerated while they are still possible. We must act before tipping points are reached after which an existential challenge such as global warming becomes unstoppable.

Past emissions of greenhouse gasses are history. Whether or not tipping points are triggered will depend upon what we do now and future emissions.

India plans to be a net emitter of greenhouse gasses beyond 2050. Given the potential catastrophic impacts of uncontrollable temperature rises and related losses and damages claims, should Indian boards be more ambitious in their corporate net zero targets?

You have a unique opportunity to influence all our futures. India’s population is large enough for the lifestyle ambitions of its citizens and the collective activities of Indian companies to tip the balance in favour of either extinction or survival.

You could help your colleagues: to be aware of the consequences of corporate activities; to be sensitive to changing stakeholder concerns; and to be responsive to wider public aspirations, expectations and requirements.

Effective and responsible strategic direction is about critical thinking as well as doing. Corporate aspirations, expectations, visions, values, purposes, priorities, goals and objectives, may all need to be critiqued, reviewed and reset.

Cherished activities and widely held views should embrace today's concerns. Corporate purpose, vision, values, goals and objectives should be sustainable, aligned and consistent with the strategies, policies and behaviours to achieve them.

Addressing shared existential challenges and creating a sustainable future could represent a common purpose that unifies the hitherto contending interests of a wide range of stakeholders. It could enable mutually beneficial collaborative and collective responses.

Collaborating organisations can be brought together to address common requirements, such as those for climate change adaptation and more resilient infrastructures. What a company does in collaboration with other entities may be as important as its own solo activities.

Directors and influencers can play a vital role as instigators, enablers and supporters of exploration, innovation and entrepreneurship. These activities are crucial for tackling existential challenges and transitioning to more sustainable operations and lifestyles.

Responsible business is more than scaling back damaging activities, limiting unsustainable operations and reducing negative consequences. It is about opportunity and creating, enabling and supporting operations and lifestyles that are desirable and sustainable.

Opportunities abound in areas such as recycling, reuse, recovery and climate change adaptation and mitigation. We can reinvent, re-orientate and re-purpose. We can offer new life choices not just for avatars in a metaverse, but for real people here and now.

This may require significant, if not radical, changes of priorities. Focus may need to switch from outputs to outcomes. Maybe the feelings and fulfilment that customers seek could be reliably delivered in less environmentally damaging and resource intensive ways.

The freedom to act of corporate boards can be conducive of diversity, flexibility and creativity. Companies can offer alternatives, choice and bespoke responses. They can vary approaches to suit local needs.

Effective board strategies acknowledge existential challenges and the opportunities they create. They recognise the potential for engagement and alignment around shared interests. Could you act as a corporate conscience and become educators, advocates and ambassadors?

The pursuit of unsustainable materialism and growth can be divisive. It can exhaust natural capital. It can result in people wanting ever more and worrying about what they do not have, rather than being thankful for the life they do have. It might not be too late to change.

India's rich heritage of ancient wisdom respects nature[^]. It advocates living in harmony with the natural world. It warns that while material trappings may temporarily distract, they cannot address a feeling of emptiness within or lead to enlightenment.

We could act while there is still time. Our future and that of many ecosystems remain in the balance. Shared existential challenges and experiences create a rare opportunity to unify around the common goal of survival. What should your purpose and priorities be?

With whom should you be collaborating? Your mission could be to engage stakeholders and help to create truly sustainable communities, cities and wider society. For sustainability and living in harmony with nature, why can't India be one of earth's most advanced societies?

Why can't your companies be leaders in a new age of sustainable lifestyles and create a fast route to international operation and global impact. You have a purpose, a cause and an opportunity today to consider and discuss next steps. Please use your time wisely.

^Further Reading

Baindur, Meera (2015), *Nature in Indian Philosophy and Cultural Traditions*, New Delhi, Springer India

Coulson-Thomas, Colin (2017), Seek and you *May* Find: Contemporary Leadership and the Relevance of Ancient Wisdom, *Abhinava Prabandhan, International Research Journal of Indian Ethos & Wisdom for Management – 'The Vivek Management'*, Vol. 5, Issue 1, pp 1-15

Coulson-Thomas, Colin (2019), Ancient Wisdom, the Natural World and the Environment, *Abhinava Prabandhan* [International Research Journal of Indian Ethos & Wisdom for Management – 'The Vivek Management'], Vol. 7, Combined Issue I & II, May, pp 1-8

Coulson-Thomas, Colin (2022), A Reflection on the Human Goal and Influencing Factors, *Abhinava Prabandhan, International Research Journal of Indian Ethos & Wisdom for Management – The Vivek Management*, Vol. 9, Combined 1st and 2nd April-September, pp 1-28

*Speaker

Prof (Dr) Colin Coulson-Thomas, President of the Institute of Management Services and leader of the International Governance Initiative of the Order of St Lazarus, has a portfolio of international leadership roles and is *inter alia* India CSR's global Goodwill Ambassador for Sustainability and Director-General, UK & Europe operations of India's Institute of Directors. He has helped board members to improve director, board and corporate performance in over 40 countries.