

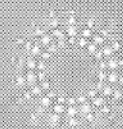


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The Future of Sustainable Business

New Agenda, New Approach, New Advocacy



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ABOUT THIS REPORT

This report was published by BSR in October 2017. BSR maintains a policy of not acting as a representative of its membership, so the views expressed in this publication do not necessarily reflect those of BSR members.

On the occasion of BSR's 25th anniversary, we have taken the opportunity to consider the ways the world has changed since our founding and the systemic changes that are shaping the world today. This paper offers our thinking on where to go next. It also serves as an invitation to join us over the coming year as we work to shape a new agenda, new approach, and a new voice for business that will meet our unique moment.

This report was written by Aron Cramer, Jacob Park, Eric Olson, and Elisabeth Best. Any errors that remain are those of the authors. Please direct comments or questions to connect@bsr.org.

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Introduction

On the occasion of BSR's 25th anniversary, we have taken the opportunity to consider our accomplishments.

With our member companies and other partners, we are proud to have imagined and worked toward a new vision of business that creates prosperity and fairness for all and preserves the natural environment on which we all depend.

Looking back is important; there is much to learn. But it is even more essential to look ahead: BSR, and the sustainable business movement more broadly, have always been about the future, and we must maintain that focus. This focus on what's next is even more urgent today, when so many aspects of business, the economy, and culture are changing in profound ways.

And as we look ahead, it is clear that the time is here for a new approach to sustainable business. Many of the conditions that inspired the creation of BSR—a growing sense of resource scarcity and climate change, an increasingly interconnected world, and the rise of the purpose-driven business—have only accelerated over the past 25 years.

The need to reinvent, however, is shaped by three big developments that are creating a new context. First, business is undergoing systematic change—disruption—that is challenging every enterprise to reorient its strategy and approach. Second, we have a clear and universal roadmap for sustainable development, best expressed through the Paris Agreement on climate change and the UN Sustainable Development Goals (SDGs). Third, governance gaps—and failures—create the need for business to lead the way, often in partnership with others, if we are to achieve our shared goals.

Business as usual won't get the job done—and sustainability as usual won't suffice. If we are to avoid catastrophic climate change, build truly fair and inclusive economic growth, and navigate a radically reshaped world, it is time for change. Put more positively, we have within our grasp the ability to reorient business and turn the tide on climate change, deliver economic opportunity for all, and build connected societies in which all people can live in dignity and with respect.

BSR was founded on the belief that a just and sustainable world is within our grasp, and that business is central to realizing that vision. We are as just as motivated today by this belief as BSR's founders were a quarter century ago.

Business as usual won't get the job done—and sustainability as usual won't suffice.

This paper offers our thinking on where to go next. It also serves as an invitation to join us over the coming year as we work to shape a new agenda, new approach, and a new voice for business that will meet our unique moment. Together, we can set a course for sustainable business, for business more broadly, and for the world.

How the World Is Changing Today

If the past quarter century has brought profound change, this process is only accelerating today. The scale and urgency of the challenges we face are growing, but so is the power of the tools at our disposal to address these challenges.

Businesses that thrive in the future will be those that figure out how to harness these emerging innovations to address real human needs—placing sustainability at the heart of business strategy.

Three broad categories of change are transforming what business and sustainability mean:

- **Climate change:** The turbulent planetary changes we have unleashed—and our collective response or lack thereof;
- **Technology:** Powerful new technologies that are poised to redefine the nature of work and create urgent philosophical questions about humanity; and
- **Structural economic change:** Mounting pressure to equitably meet the needs of a growing, urbanizing global population at a time of massive change.

While none of these is new, and while many more changes are unfolding, these systemic changes are remaking the world as we've known it.

Climate Change: Doing Business in the Anthropocene

The steady increase in extreme weather confirms that our planet is changing. Humanity has stepped decisively into the Anthropocene—the current, relatively recent period of the Earth's history in which humans have irreversibly changed the planet. The critical questions now center on how to build resilience into human and natural systems while mitigating further damage, and how to adapt and thrive amid the inevitable disruption.

No business will be left untouched. While severe weather events are the most dramatic illustration of climate change, less visible climate impacts will have consequences that are just as profound. Among other things, a warming Earth will disrupt long-standing agricultural patterns, undermine ecosystem health, contribute to the spread of novel pathogens,

BSR is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

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