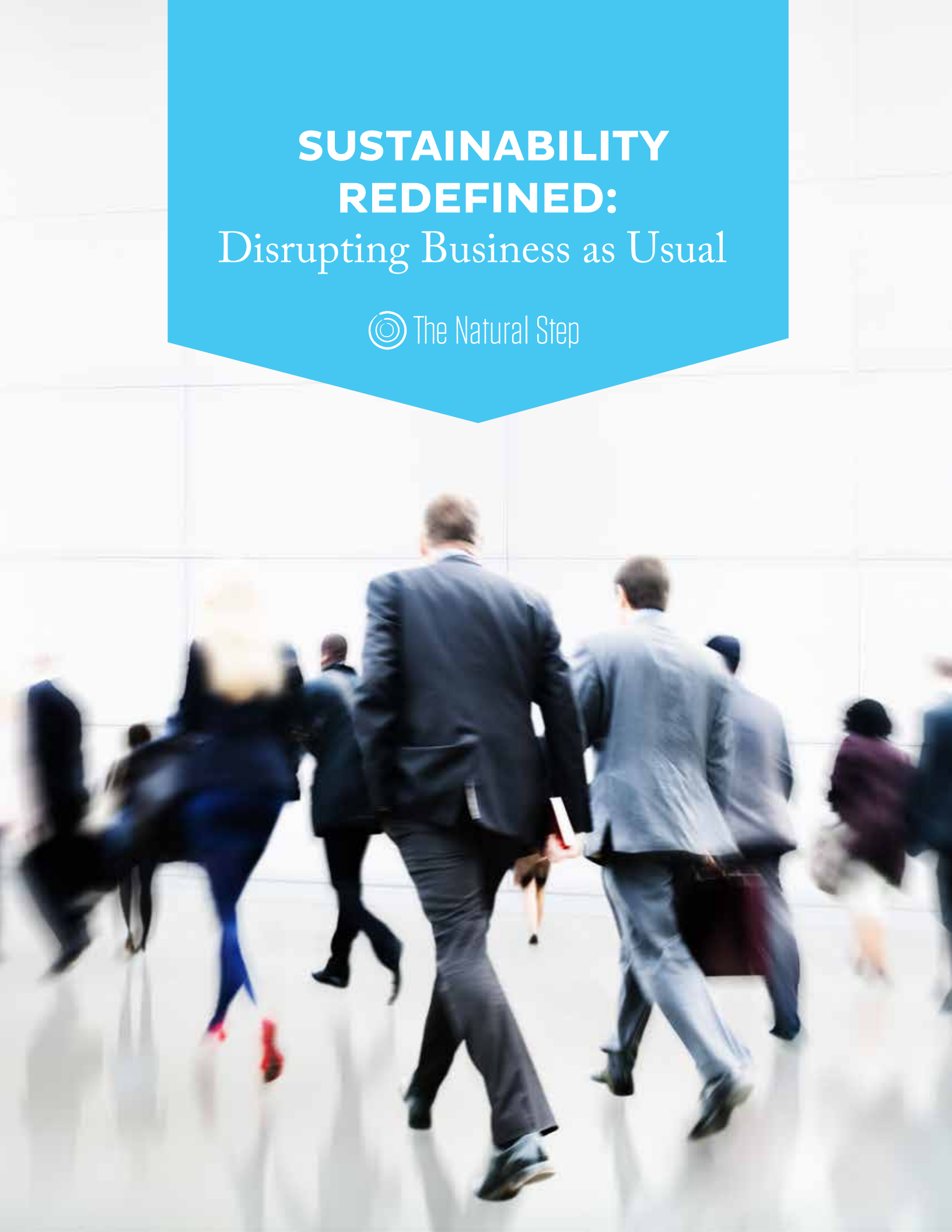


SUSTAINABILITY REDEFINED: Disrupting Business as Usual

© The Natural Step



Smart companies around the world have redefined sustainability—and, in doing so, are disrupting business as usual. It's not just about doing good for good's sake. It's good business.

The Natural Step Canada

The Natural Step Canada is a national charity whose mission is to tackle climate change and accelerate the transition to a TRULY sustainable society that thrives within nature's limits. Through our academy, advisory services and Sustainability Transition Labs, we use best-in-class science, systems-thinking and facilitation to help individuals and organizations collaborate, solve complex problems, foster innovation, optimize performance and drive systems change.

The organization, founded in 1996, is headquartered in Ottawa, ON and has staff and associates across Canada. We are a member of The Natural Step International, a global network of individuals and organizations; at the forefront of sustainable development since 1989, The Natural Step now operates in 12 countries on 4 continents.

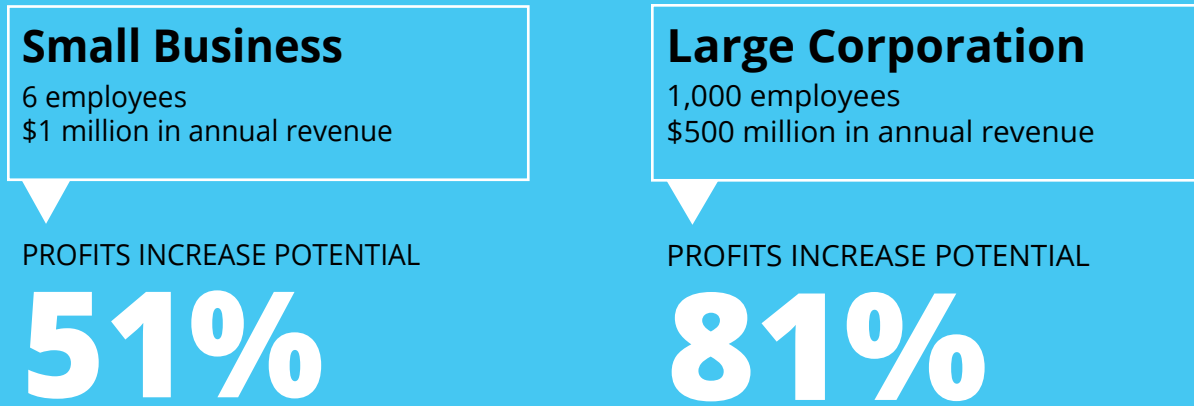
The Natural Step's approach has been utilized by countless organizations worldwide including IKEA, Nike, Starbucks, Interface, Pratt and Whitney Canada, The Co-operators, the Landmark Group of Builders; numerous universities; many municipalities in Canada including the Resort Municipality of Whistler and the Town of Canmore, the Cities of Edmonton and Ottawa; and international municipalities such as Dublin, Ireland; and dozens of municipalities in Sweden.

Leading supporters include the J.W. McConnell Family Foundation, the Suncor Energy Foundation, The Co-operators, TD Bank, CPA Canada, Alberta Real Estate Foundation, IKEA Canada, Ontario Trillium Foundation, the Catherine Donnelly Foundation, The Salamander Foundation, ATB Financial, the Government of Alberta, and the Government of Ontario.

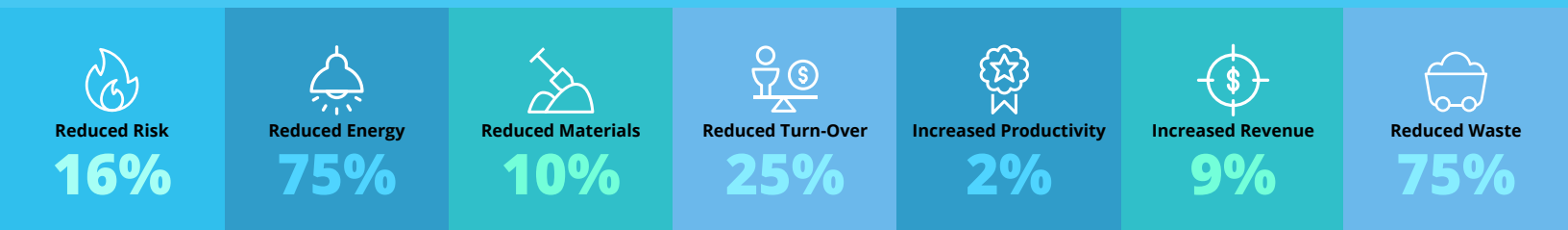
To learn more go to naturalstep.ca and check out our current Sustainability Transition Labs at energyfutureslab.com and circulareconomylab.com.

Introduction

Based on years of research and hundreds of case studies, Bob Willard, a pioneer for the business case for sustainability, showed that if a typical company were to use best practice sustainability approaches they could achieve the following:



In fact, by redefining sustainability your business can set itself up for success in the long term by realizing seven benefits to your bottom line¹:



1 The New Sustainability Advantage: Seven Business Case Benefits of a Triple Bottom Line. Bob Willard.

But how can a company begin to operationalize sustainability?

The Framework for Strategic Sustainable Development is a model for strategic planning and decision making. It combines a science-based understanding of sustainability with a tested planning approach to drive innovation and triple bottom line success.

Remember that this is only an introduction, and that The Natural Step Advisors are available to assist you.

There are five core concepts in The Natural Step Framework:

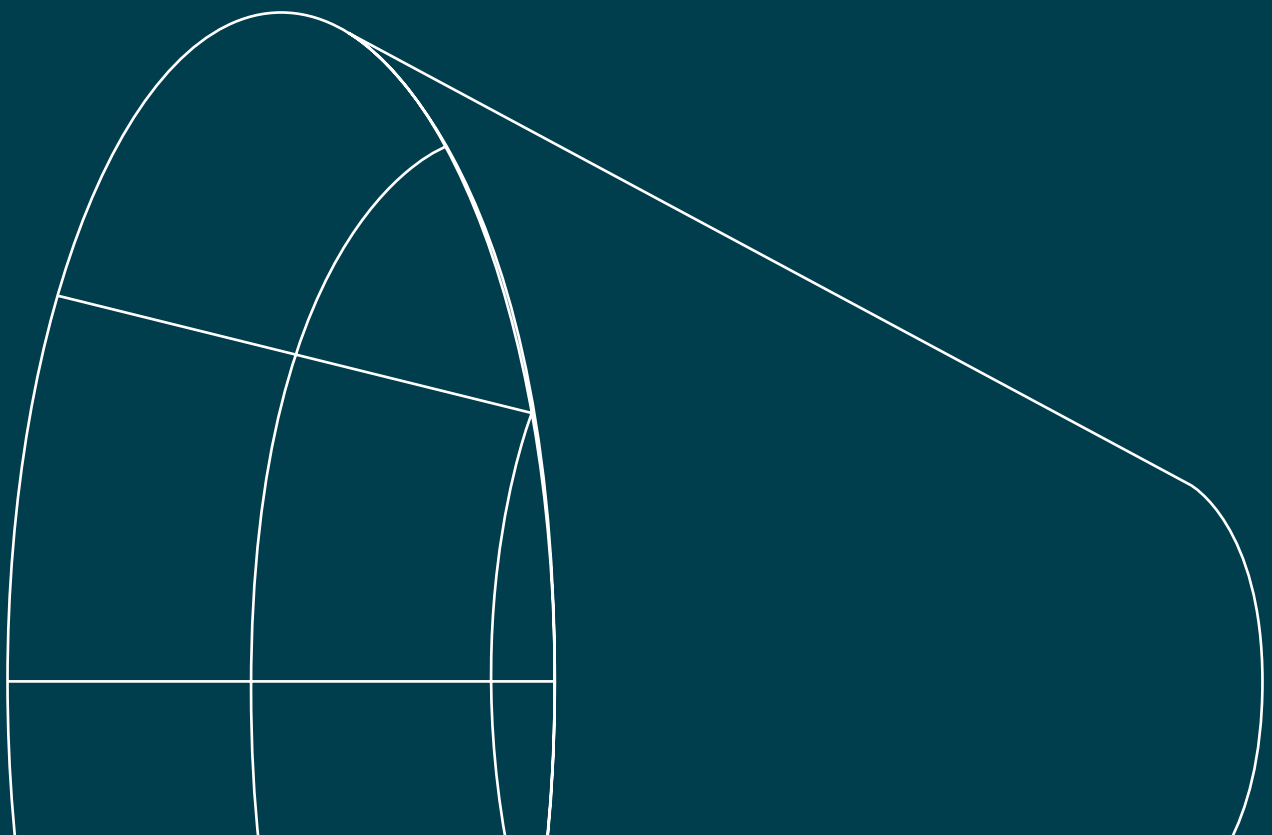
— Core Concepts

1. The Sustainability Challenge
2. Backcasting
3. Sustainability: A definition
4. Backcasting from Sustainability
5. ABCD Planning Process

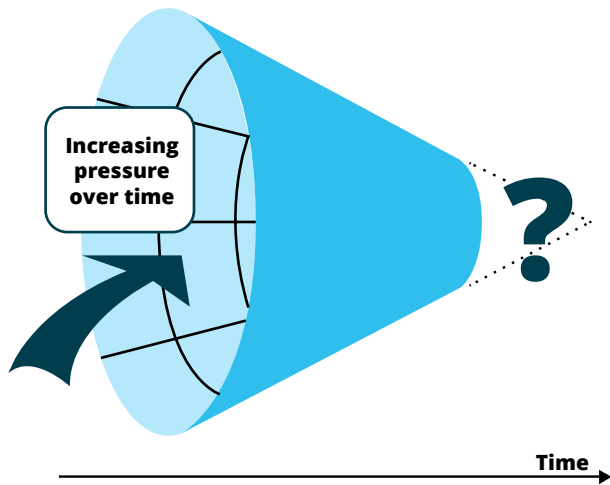
Get in touch with an advisor from The Natural Step Canada. [Click Here.](#)

— Concept 1

The Sustainability Challenge



Metaphor of the Funnel:



"Pressure on society increases over time due to our growing demand for resources and ecosystem services, the declining capacity of the Earth to provide these, stricter laws, consumer pressure, and inequality."

While the past century has brought extraordinary improvements in human health and medicine, public education, and material well-being, the consequence of living beyond the planet's means is that ecosystems are being run down, resources are disappearing and waste is accumulating in the air, land and water. The resulting impacts—such as resource shortages and climate change—put the economy, businesses, and general human wellbeing at risk.

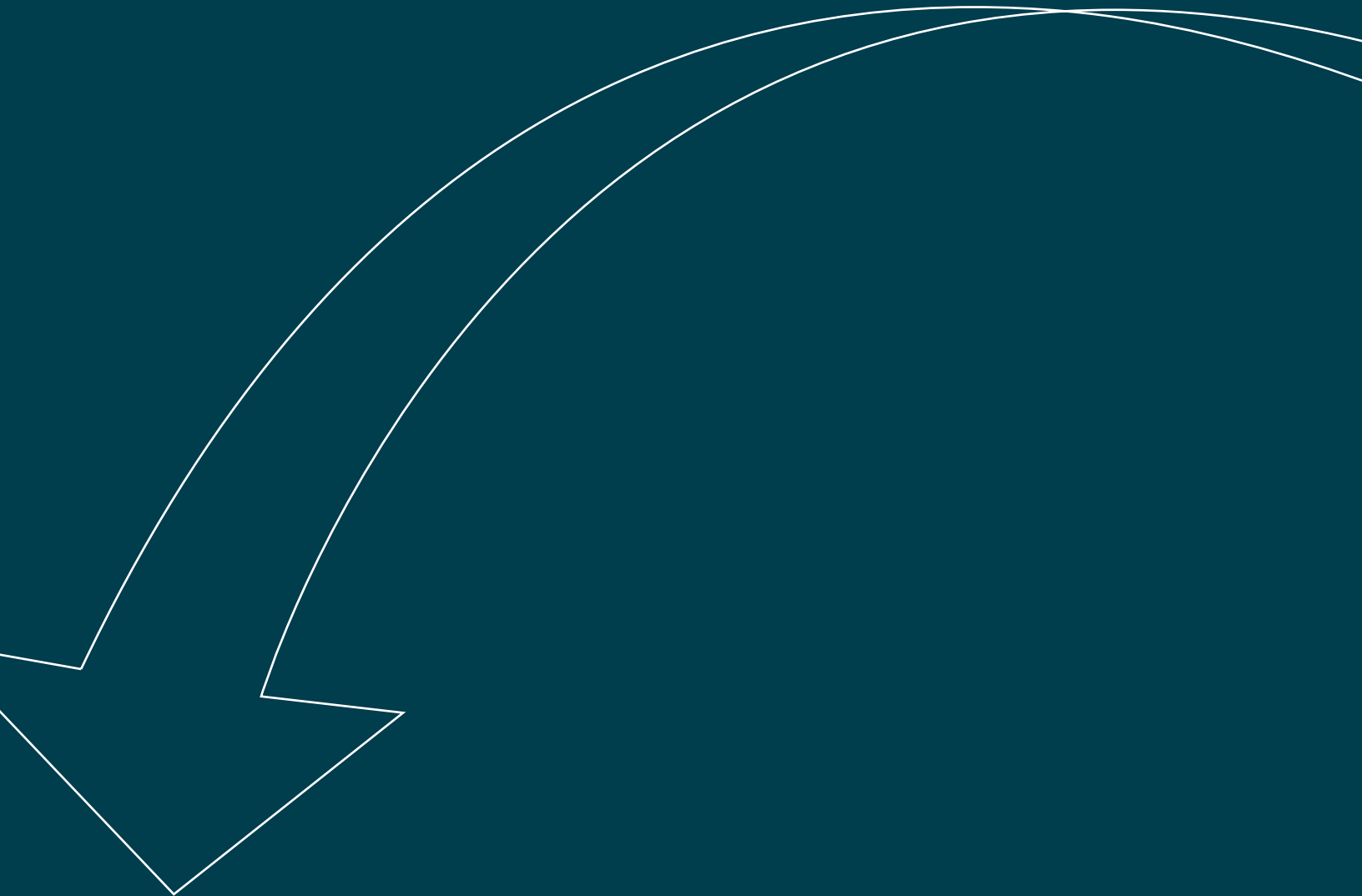
A simple way of visualizing the problem is to picture a funnel. The walls of the funnel represent the increasing pressures on us—our growing demand for resources and ecosystem services, the declining capacity of the earth to provide those resources and services, stricter governmental laws and consumer pressure, and the social tensions resulting from inequality.

The pressures we face are systemic. There are many different problems, but the overall trend is that these problems are becoming increasingly common and increasingly severe because they are a direct result of the way our society grows and develops.

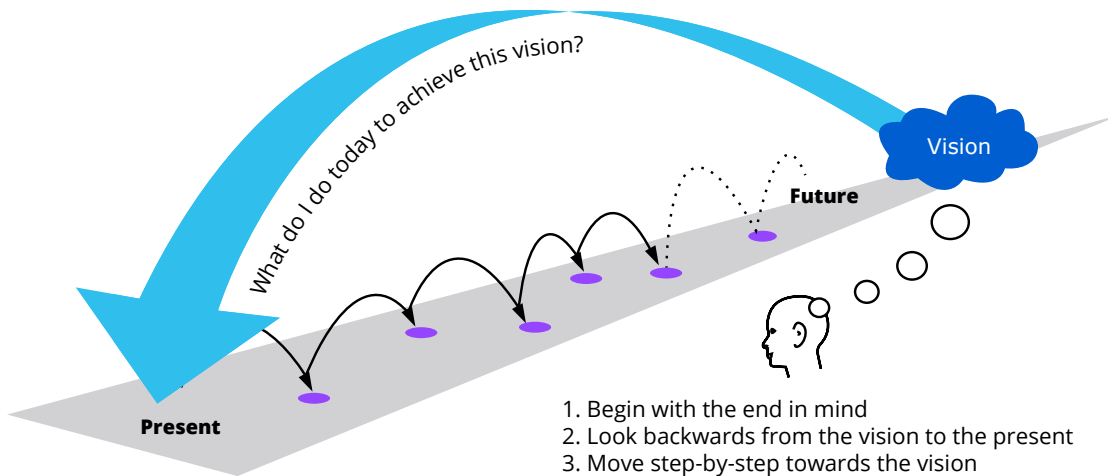
The sustainability challenge is to avoid 'hitting the walls' while reducing the pressures so that the funnel can open up again.

— Concept 2

Backcasting



Backcasting:



Backcasting is a fancy term for something we are all familiar with—beginning with the end in mind. It is deciding on something we want in the future and then figuring out what we have to do today to get there. As individuals, most of us backcast automatically; but when we plan in larger groups, such as communities, municipalities or businesses, we tend to forecast instead. Forecasting is planning by using past information to projecting trends into the future.

Forecasting is effective if we are happy with how things are going. But when we want – or need – a very different future than the one we are headed toward, we need to backcast.

In the case of planning for sustainability, backcasting is a useful method because of the complexity of the challenge and the need for **true disruption and innovation**. Backcasting provides a “North Star” to orient strategy and decisions.

Beginning with the end in mind means that planners start by agreeing on the conditions for success.

— Concept 3

Sustainability: A Definition



In a Sustainable Society:



Nature is not subject to systematically increasing concentrations of substances extracted from the earth's crust



Nature is not subject to systematically increasing concentrations of substances produced by society



Nature is not subject to systematically increasing degradation by physical means



And, in that society, people are not subject to conditions that systematically undermine their capacity to meet their needs.

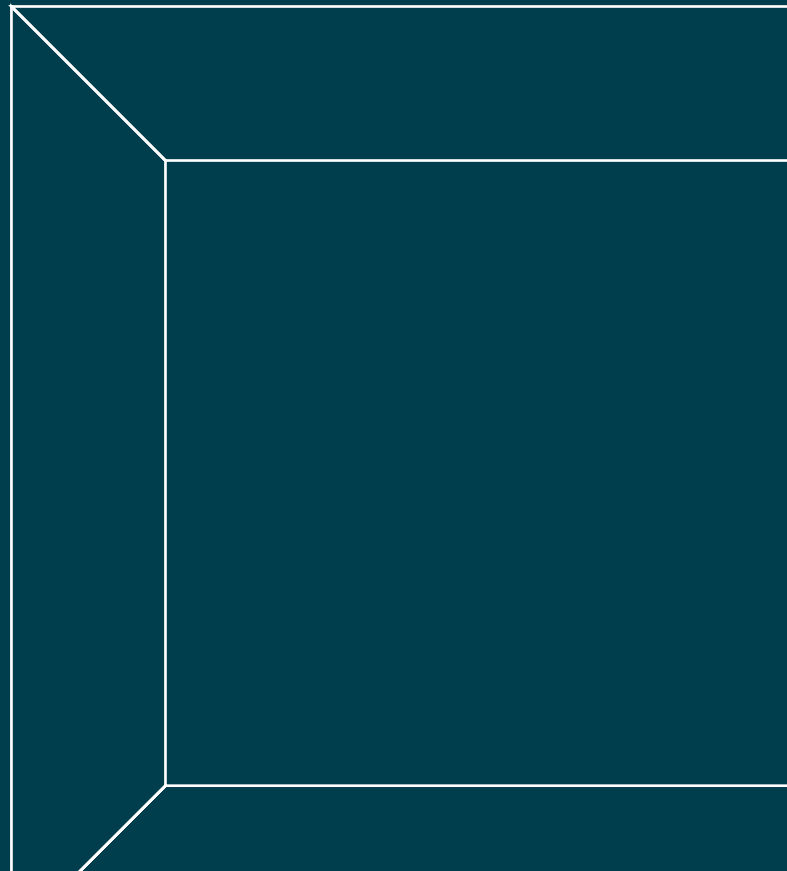
The formulation presented above of the four conditions that would define a truly sustainable society are the result of broad scientific consensus¹. They frame a goal that people and organizations all over the world can share, as well as providing explicit guidance for any individual or organization interested in moving toward sustainability.

If we can agree on those principles as the basic criteria for a sustainable society, they become our starting point and help us evaluate our ideas and plan for the future while making the most effective and efficient use of our resources.

¹ See naturalstep.ca/four-system-conditions for more on why these four conditions.

— Concept 4

Backcasting from Sustainability



Backcasting from Sustainability:

When we apply our conditions for sustainability to the backcasting process, it becomes clear that we must:

1. Reduce and eventually eliminate our contribution to the systematic accumulation of materials from the earth's crust.

This means substituting our use of certain minerals that are scarce in nature with others that are more abundant, using all mined materials efficiently, and systematically reducing our dependence on fossil fuels.

2. Reduce and eliminate our contribution to the systematic accumulation of substances produced by society.

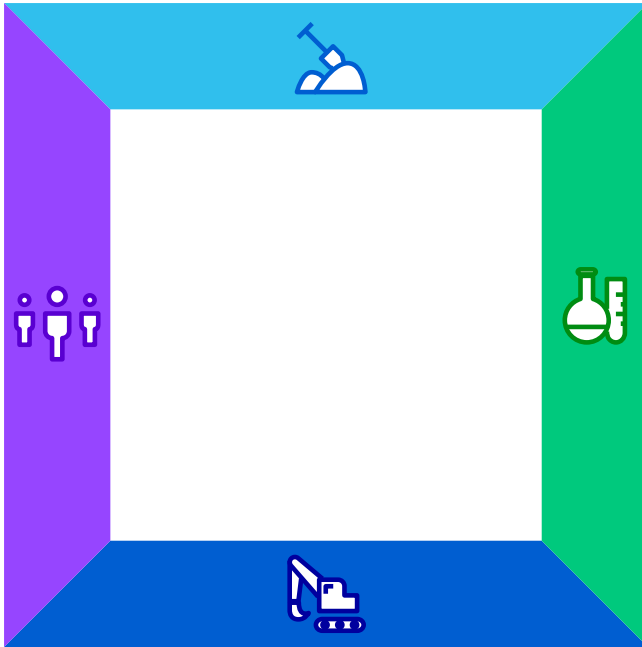
This means substituting certain persistent and unnatural compounds with ones that are normally abundant or break down more easily in nature; and using the unnatural substances that we do need more efficiently—and in closed-loop processes, so that they do not escape into ecosystems.

3. Reduce and eliminate our contribution to the ongoing physical degradation of nature.

This means drawing resources only from well-managed ecosystems; systematically pursuing the most productive and efficient use of those resources and land, and exercising caution in all kinds of modifications of nature (such as over-harvesting and the introduction of invasive species).

4. Reduce and eliminate our contribution to conditions that systematically undermine people's ability to meet their basic needs.

This means offering products and services and changing practices, suppliers, and business models to those that ensure that human rights are respected, income-making barriers are removed, safe and healthy work environments are provided, and living conditions allow local communities to meet the needs of citizens.



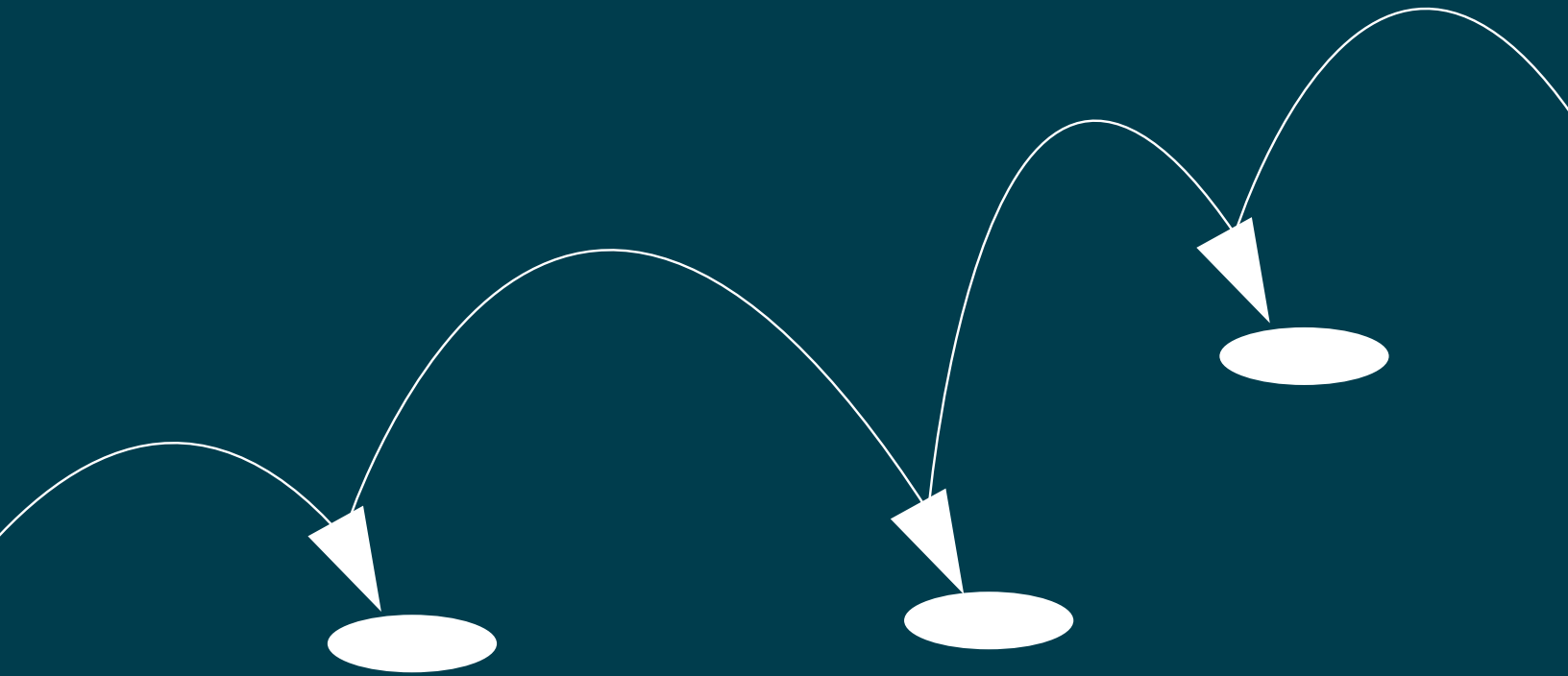
PICTURE THIS

Think of the four sustainability principles as the four sides of a picture frame. They provide very clear boundaries for the canvas inside, but it's up to you to create the painting—the picture of your organization operating sustainably.

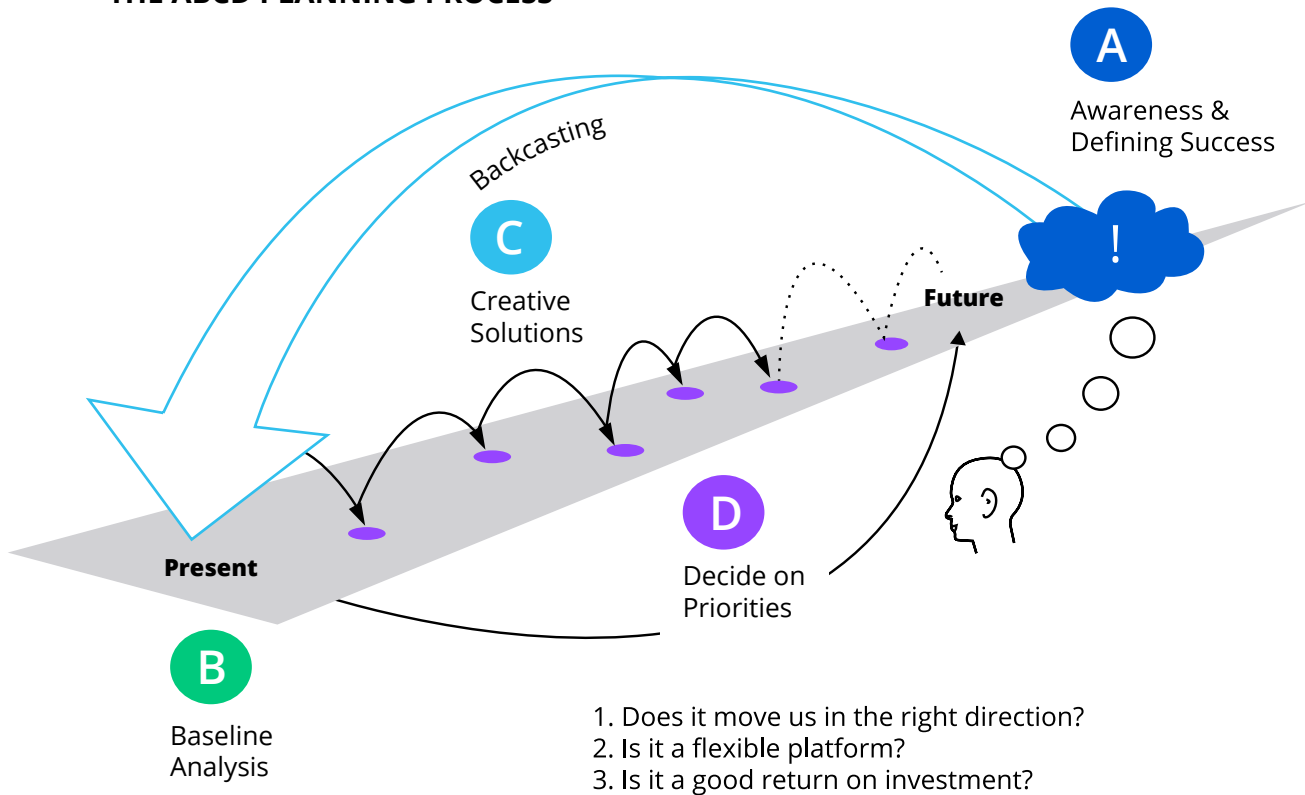
The principles are not prescriptive, so you are free to design actions that fit your unique situation. In your team, unleash your inner artists and be creative. Let potential actions spring up: new energy systems, resource efficiency improvements, substitutions of certain materials, or new and more service-oriented and resource-efficient business models. There is no one right way to paint the picture of success.

— Concept 4

The ABCD Planning Process



THE ABCD PLANNING PROCESS



To design sustainable businesses, we need both a vision of where we want to be and a plan for getting there. There are many ways to plan for sustainability, and The Natural Step process which this guide describes is only one of them. What makes this approach unique is that it allows you to build a strategic plan based on a concrete and scientific definition of sustainability, using the backcasting method to evaluate each possible action for its strategic value. The process involves four basic steps: Awareness and Visioning, Baseline Analysis, Creative Solutions, and Decide on Priorities.



Awareness and Defining Success

This first step aligns the organization around a common understanding of sustainability as well as creating a vision of what the organization would look like in a sustainable future.

Employees review details of the state of the Earth's systems, including the ecological, social and economic trends that are undermining our ability to create and manage healthy and prosperous ecosystems, businesses and communities. They are also introduced to the conditions for sustainability.

During the visioning process, people are encouraged to set ambitious goals which may require radical changes in how the organization operates¹. Some goals may take many years to achieve.

This is where businesses often begin to identify the service they provide independent of any one product (for example, providing energy services versus oil). Incorporating this awareness into the visioning process unleashes innovation and releases the company from preconceived limitations.



Baseline Analysis²

This step uses the four sustainability conditions to conduct a sustainability 'gap analysis' of the major flows and impacts of the organization to see which of its activities are currently unsustainable. The analysis includes an evaluation of products and services, energy, capital and human resources from 'cradle to cradle'.

The assessment also looks at the social context and organisational culture in order to understand how to positively introduce change. This allows the organization to identify critical sustainability issues, their business implications, any assets they may have and opportunities for change.

1 See naturalstep.ca/four-system-conditions for more on why these four conditions.

2 The Natural Step's Sustainability Scorecard measurement platform can facilitate baseline analysis and provide ongoing measurement of an organization's journey toward sustainability.



Creative Solutions

In this step, employees are asked to brainstorm potential solutions to the issues highlighted in the baseline analysis without any constraints.



Decide on Priorities

After identifying opportunities and potential solutions in the 'C' step, the management prioritises the measures that maximize social, ecological and economic returns while moving the organization toward sustainability and maintaining strategic flexibility. At this stage, organizations can pick the 'low-hanging fruit' and offer a rapid return on investment in order to build internal support and excitement for the planning process.

Backcasting is used to continually assess decisions and actions to see whether they are moving the organization toward the desired outcome identified in 'A' step (awareness and defining success).

Sustainability conditions provide new design parameters that drive product and process innovation throughout the system. They also help management stay on course as they process the myriad of information and decisions involved in long-term planning. What's considered realistic today never determines the direction of change, only its pace.

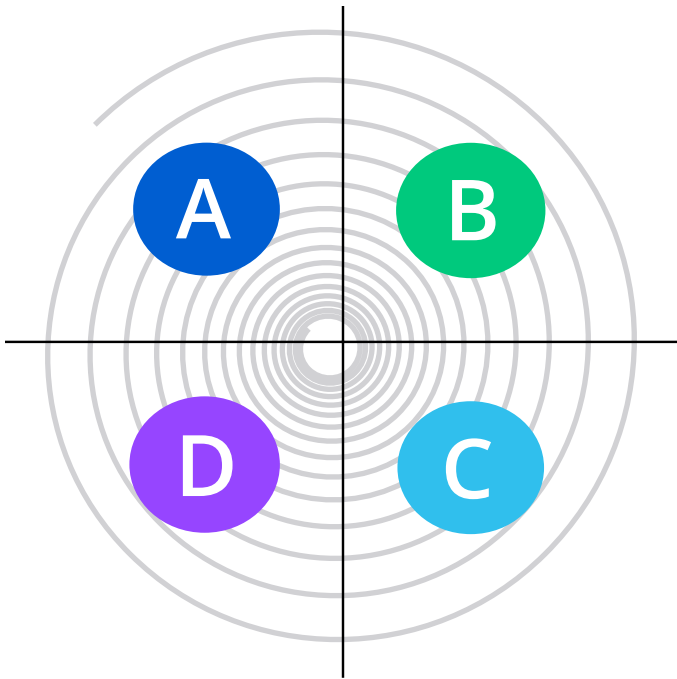
Organizations are not expected to achieve long-term goals immediately. They're encouraged to move systematically by making investments that will provide benefits in the short-term, while also retaining a long-term perspective.

— Concept 4

The Spiral of Change: The Cyclical Nature of the ABCD



THE SPIRAL OF CHANGE



In practice, the ABCD process is cyclical, not linear, with each step helping to inform the others. For example, you may start simply by creating awareness (A) in a small group of key people, and those people may work to create a high level baseline analysis (B) and a draft sustainability vision for input. During this time, this group may already begin to identify some early projects or prototypes (C & D) to implement. As the team demonstrates that their early projects are successful, they may get support for more projects.

One of the key projects could be a broader training and awareness raising program (A) that targets the top managers in the organization, as well as a more in-depth analysis of product lifecycles (B) and the development of strategic goals for the entire organization based on the draft developed by the initial team. As part of the review of the process to engage people in the strategic goals, staff can be invited to provide ideas and resources to implement them (C & D), and so on.

As your group spirals up the ABCD process, you will:

- Generate increasing engagement and awareness of sustainability and its relevance to the organization (A);
- Clarify the gap between the current reality and your desired sustainable future. Looking back and forth between your group's aspirations and its current reality will help develop a creative tension between the two, sparking more ideas and innovations (B & C);
- Implement more and more smart moves toward sustainability, starting with the 'low hanging fruit' that will be platforms for bolder initiatives in the future (D).

Fill out a quick survey to get in touch with an advisor from The Natural Step Canada. [Click Here.](#)

