

# Integrated management approach towards sustainability

[Business](#), [Management](#)



## Introduction

Our planet is constantly changing and most of the changes that are occurring are as a result of our actions. The use of limited resources by different types of organisations all over the world to create products and services without much thought of what happens in the long run. Some important questions that need answers to are; will resources run out if not properly managed Will there be resources for future generations How can the limited resources be managed to ensure environmental catastrophes do not happen And how to make organisations

more accountable by involving accountants in the sustainability process Our environment may become severely affected if strategic discussions, objectives, goals and targets are not fully integrated within governance, accountability arrangements, reporting and the organisation's way of governing overall risk management. Since sustainability is one of the key drivers for business in current years, the accountants should be able to support their organisation in adopting and implementing a strategic approach to sustainability.

## **Accounting Function**

Accounting is defined by the American Institute of Certified accountants (AICPA) as ' the art of recording, classifying, and summarising in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof'. An Accountant's main purpose up until the 90's was reporting financial accounts in terms of monetary values and profits however, the accounting profession

needs to embrace the issue of sustainability to be able to maintain its integrity as a profession. Accountants should consider achieving wider transparency with non-financial Reporting against a broader set of stakeholder expectations. Such as separate, sustainability or corporate socialresponsibilityreports that may be based on de facto standards, such as those from the Global Reporting Initiative. This perspective also includes sustainability assurance, to help to improve credibility and trust, and might be of interest to those professional accountants in public practice.

## **Retail Sustainability, UK**

Sustainability has three important dimensions for all organisations including the retail sector;

Economic viability

Social responsibility

Environmental responsibility.

The challenges of sustainable development require innovative approaches that inspire, and call businesses, governments and people to action. The retail sector can make a huge contribution to sustainability through their own operations, through their supply chains and through their relationships with their customers.

The recognition governments and many organisations have given in to sustainability and sustainable developments are changing businesscultureand society. The global challenge is to ensure that retail organisations embrace sustainable development practices; Reverse the

previous erosion of natural resources; Improve their environmental, social, and economic performance. This requires radical changes in the way we do business and the way we live our lives.

## **M & S Sustainability Approach**

Marks and Spencer claim to become the most sustainable retailer in the world. Retail organisation like marks & Spencer have already let the public know some of the goals of the company which will help them to achieve sustainability. M&S engaging customer with Plan A, the aim of this plan A is to encourages shoppers to give ideas for environmental change. Through suggestions from shoppers they have been able to introduce the ' charging for plastic bags scheme' and this has significantly reduced the use of plastic bags at their stores by more than 70%.

Marks and Spencer is in partnerships with WWF which help them to address environmental issues associated with sourcing cotton, wood and fish and they are helping them to fund vital orang-utan conservation in the Heart of Borneo; Oxfam helped them to encourage clothing recycling whilst also raising money for their vital work. They have also worked with a range of partners for over three years to run their Marks & Start work experience programme for disadvantaged group which has helped over 800 people get back into work in the UK.

“Producing and harvesting raw materials can cause significant harm to the environment. Becoming more sustainable means making better use of the materials already available to us and at the same time making sure that key

raw materials are sourced in ways that allow them to be naturally replenished''

### **Sustainability Management**

Sustainability Management will help Accountants to Introduce sustainability measures, and environmental accounting as an extension of existing Accounting/information systems to accommodate organisational plans for sustainable development and enhancing performance evaluation and measurement. Accountants can advice on how organisations can relatively improve energy efficiency and reduce waste; this, in turn, can help them improve environmental performance while reducing their costs, all in a relatively short time frame. M&S claims it saved ? 50m in 2009-10 as a result of Plan A, which was launched in 2007 and Between April 2007 and May 2008, they managed to save 12%, or 1402 tonnes of packaging.

Accountants should consider achieving wider transparency with non-financial Reporting against a broader set of stakeholder expectations. Such as separate sustainability or corporate social responsibility reports that may be based on de facto standards, such as those from the Global Reporting Initiative. Included is advice on reporting on climate change issues and emissions in a way that demonstrates the existence of a structured system and approach to managing climate change impact and risks

### **Government Policy on Sustainability**

National strategy

The UK and devolved governments have separate strategies, each including further priorities and supported by further measures and indicators, based

on their different responsibilities, needs and views.

Our estateThe Government is committed to leading by example on sustainable operations and procurement. Sustainable Operations of the Government Estate sets targets for all Government departments, agencies and bodies.

Local and regional

Local and regional solutions are needed to address locally identified problems. Sustainable communities, in both urban and rural areas, can stimulate the delivery of sustainable development.

International

The UK actively promotes multilateral and sustainable solutions to today's most pressing environmental, economic and social problems. More prosperous nations have an obligation to put their own house in order, and to support other countries in the transition towards a more equitable and sustainable world.

“ There are a couple of thousand accountants in Johnson & Johnson and not many of them are even familiar with the term “ sustainability”

Michael J. Foley, Assistant Corporate Controller, Johnson & Johnson, USA

### **Creating Sustainable Value**

The new Sustainability Framework, developed by the Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC), highlights the issues that organisations must address to make sustainability part of their business model. It offers guidance on how to inject sustainability leadership into the management cycle, from making and

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executing strategic decisions to reporting on performance to stakeholders. Framework allows professional accountants to easily navigate those sustainability issues that are most important to their immediate roles.

## **How Effective are Sustainability measures?**

Evaluating whether sustainability is only there in theory and not in practice is difficult. Most retail organisations claim to have the right and practicable sustainability measure in place because they have incorporated corporate social responsibility into their main business objective but there are reasons that suggest they in fact portray themselves as socially responsible when this might not be the case in reality.

The initiative by retail organisations to encourage customers to use less plastic bags have not worked on all customers as people tend to forget them and buy new ones each time they go shopping. Nevertheless, more retailers are conscious of their impact on people and the planet, and some are becoming sustainability leaders. But is this concern genuine or simply crass marketing, or even “greenwashing?”

### Conclusion

Enhancing the role of professional accountants in developing sustainable business can benefit retail employers and the public. Accountants' professional background and orientation has equipped them with the necessary qualities to support their contribution – namely, wide business understanding, numeracy and knowledge of measurement, and objectivity and integrity. Applying these skills to sustainability issues can help

organisations to embrace sustainable development, and to incorporate it into strategic planning, execution and reporting.

## References

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Can't see the wood for trees, Can't see the trees for the numbers  
Accounting education, Sustainability and the Public Interest. ROB GRAY\* AND DAVID COLLISON†

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