



Emerald

World Journal of
Entrepreneurship, Management
and Sustainable Development

**The diversity of the practice of corporate sustainability: An
exploratory study in the South African business sector**

Journal:	<i>World Journal of Entrepreneurship, Management and Sustainable Development</i>
Manuscript ID:	Draft
Manuscript Type:	Research Paper
Keywords:	Sustainability, reporting

SCHOLARONE™
Manuscripts

Preview Only

The diversity of the practice of corporate sustainability: An exploratory study in the South African business sector

INTRODUCTION

The World Business Council for Sustainable Development, in its outlook to 2050 (WBCSD, 2010), provides a sobering insight into the many environmental and social changes that will bring about both risks and opportunities for business in the search for global sustainable growth. Climate change, specifically, is highlighted as the major challenge that directly impacts, and interacts with, all other challenges, such as (affordable) energy and fuel, material resource scarcity, water scarcity, population growth, urbanisation, wealth, food security, ecosystem decline, and deforestation.

Business is increasingly pressurised to promote and practice sustainability due to these complexities of global change (Eweje, 2011; Beermann, 2011; KPMG, 2012). Over the past decade, sustainability has moved from the domain of the few, to the domain of the many (Haanaes *et al.*, 2012). Sustainability is reaching a tipping point to becoming common business practice and it is subsequently now amongst the most thoroughly researched business topics, as well as a powerful undercurrent running through the pages of the business media (Carroll and Shabana, 2010, KPMG, 2011, Eweje, 2011). Despite this, there remains no widespread agreement on the precise meaning or application of sustainability (van Marrewijk and Werre, 2003; Moon, 2007; Aras and Crowther, 2009, Linnenlueke, *et al.*, 2009, Eweje, 2011, Ameer and Othman, 2011).

Sustainability, as traditionally featured in the management literature, has merely implied continuity through economic performance, growth and long-term profitability (Reed and DeFillippi, 1990; Peteraf, 1993; Aras and Crowther, 2009). While this interpretation for the most part still applies, it is the manner and practice to which business goes about achieving continuity that has changed. There has been an increasing realisation of the need to consider, and incorporate, social and environmental aspects into the conventional financial focus; primarily to address the demands of tough global competitive pressures exerted by a range of stakeholders including customers, communities, employees, government and shareholder (Albino *et al.*, 2009; Foerstl *et al.*, 2010; Eweje, 2011).

The World Business Council for Sustainable Development suggests that sustainability offers business the notion of being able to reconcile environmental protection and socio-economic development with improved business performance (WBCSD, 2010). The business community has subsequently responded in various strategic ways, eliciting a wide range of sustainability action types, or categories, alternatively termed: Corporate Responsibility, Corporate Social Responsibility (CSR), Corporate Citizenship, Business Ethics, Stakeholder Relations Management, Corporate Environmental Management, Business and Society, and Corporate Sustainability (Daily and Huang, 2001; Hopkins, 2002; Robert *et al.*, 2002; Yang, 2002, Dyllick and Hockerts, 2002; Weymes, 2004; Berns *et al.*, 2009; Lozano, 2012); to name but a few.

Current operational approaches and practices in this domain vary and range, as shown in Table 1, from attempts to adapt production processes to minimize resource use and environmental pollution, and/or to improve relations with the community and other stakeholder groups (Crane, 2000; Gonzales-Benito and Gonzales-Benito, 2008). Initially sustainability practices began as a means of

1
2
3 organisations responding to compliance requirements to the fact that organisations now want to
4 deploy sustainability programmes to reap greater shareholder value (Haanaes *et al.*, 2012). Rather
5 than treating sustainability efforts exclusively as a response to legal and regulatory requirements,
6 more organisations are now integrating sustainability activities into how they manage reputation
7 risk, generate cost savings and ensure long-term profitability and competitive advantage (Berns *et al.*,
8 2009, Haanaes *et al.*, 2012). Corporate sustainability programmes are also expanding in numbers
9 across the spectrum of organisation size and industry sectors (Willis, 2003; Kolk, 2004; Gray, 2006).
10 No longer solely the domain of the large-scale industry or large multinational conglomerates,
11 business of all types and size are increasingly implementing sustainability programmes and practices
12 (Berns *et al.*, 2009, Haanaes, *et al.*, 2012). For example, manufacturing companies may emphasize
13 reducing emissions, decreasing water consumption, and recycling by-products, while service firms
14 may focus on customer relationships, employee development, and community service (Reilly and
15 Weirup, 2012). As organisations comply with stringent regulations, they must protect or enhance
16 their ethical image, avoid serious liabilities, satisfy the safety concerns of employees, respond to
17 government regulators and shareholders, and develop new business opportunities in order to
18 remain competitive (Eweje, 2011).
19

20
21
22
23
24 Many argue that sustainability practices of business are indistinguishable from green-washing and
25 branded as delusional, mis-representational, and hypocritical; implying that their implementation is
26 a mere business opportunity subject to the specific development, awareness and ambition levels of
27 individual business organisation (Hart, 1997; van Marrewijk and Werre, 2003; Ameer and Othman,
28 2011). This is reinforced by the notion that even after 20 years of engagement in sustainability
29 theory and practices, global statistics and indicators highlight that economic and population growth
30 worldwide continue to have impacts on a scale that threatens global economic security and sound
31 environmental management (Berns *et al.*, 2009; WWF, 2012, Haanaes, *et al.*, 2012).
32
33

34
35 In this paper we suggest that what may be failing the concept of sustainability is its diversification in
36 meaning and practice. The exploratory study summarised in this paper examined eleven medium to
37 large South African organisations with medium to high potential exposures to sustainability
38 pressures, either through direct natural resource demand requirements, or through investments in
39 natural resource-dependent industries. These organisations have been taking steps to improve their
40 sustainability practices over the past few years. The paper investigates the diversity of the practice
41 of corporate sustainability in terms of the drivers of corporate sustainability, where sustainability
42 features in the organisation structure, and how sustainability is communicated.
43
44
45

46 47 **METHODOLOGY**

48 Twenty-two organisations were approached to conduct interviews regarding their perspectives on
49 sustainability. In each case, the manager responsible for sustainability activities, typically holding
50 titles such as Environment Manager or Sustainability Manager, was targeted for participation in the
51 study.
52

53
54 Of the eleven organisations that agreed to participate, there were three organisations in the
55 financial services sector, four organisations in the mining and industrial sector, and four
56 organisations in the food and beverage retail sector. Semi-structured interviews were designed to
57 gauge the organisations perspectives on a variety of issues relating to their views and actions taken
58
59
60

1
2
3 with the aim of sustainability in mind. Specifically the issues questioned included; perspectives on
4 the sustainability concept, the drivers of sustainability actions, internal and external sustainability
5 communications, profiles, and performance and strategies. The questions were specific and involved
6 self-ranking in some cases, but also provided for open-ended and explanatory responses. The results
7 are not intended to be representative of the sectors of South African organisations in general, but
8 rather to provide a targeted perspective from well-established medium to large organisations, which
9 could be considered proactive in addressing sustainability issues. The focus was specific to
10 organisations with natural resource dependencies, or investments in those industries. The intention
11 of a cross-sector representation is to establish the degree of diversity on premise, approach and
12 perspectives between such a cluster of organisations.
13
14
15

16 17 **RESULTS**

18 The results draw on the interview responses, to firstly characterise the level of confidence expressed
19 by the interviewees' regarding their respective organisation's sustainability profile and performance
20 (see Table 2). The perspectives of the interviewees' regarding the main drivers of sustainability
21 action by their organisation were then identified (see Table 3). An overview of how sustainability
22 issues are championed within the eleven organisations and how specific initiatives or activities are
23 identified and financed are presented (see Tables 4 and 5). Included are the different means and
24 approaches taken by the organisations in terms of communicating sustainability, both internally and
25 externally, to various stakeholders (see Table 6). These results provides insight into how
26 sustainability is represented within the organisations, as well as the different operational
27 approaches applied to address identified sustainability priorities.
28
29
30
31
32

33 **Sustainability performance and profile**

34 The individuals generally all expressed a strong sense of confidence associated with their
35 organisation's sustainability performance (see Table 2). In general, the self-assessed level of
36 confidence associated with the organisation's sustainability profile was also high. The results show
37 an overarching sense of sureness associated with sustainability performance and profile of the
38 organisations targeted, which was somewhat expected, as organisations were selected that are
39 considered to be actively engaging in sustainability management and associated activities. However,
40 the profile was often ranked as equal as or slightly lower than the sustainability performance which
41 seemed to suggest that some interviewees felt that the sustainability achievements of the
42 organisation are not recognised to the extent that they could be. This was noted in particular by
43 those in the extractive industries, including the two that did not commit to scores in performance
44 and profile, and one other in this category, as well as one in the financial industry.
45
46
47
48

49 **Drivers of sustainability**

50 Across the organisations that were interviewed the most common drivers for sustainability included
51 financial profitability, managing risks to the business, brand value and reputation, and legal
52 compliance (see Table 3). Although there were commonalities in the drivers identified by the
53 interviewees, there was no single driver in common with all the organisations. Furthermore, the
54 most common driver, financial profitability, was only identified by six of the eleven interviewees as
55 being within the top three drivers for sustainability in their organisation, suggesting a relatively
56 diverse understanding and reasoning for addressing sustainability by these eleven organisations.
57
58
59
60

1
2
3 Even between the organisations within the same sectors there was no single driver identified by all
4 those interviewed, except for “managing risk to business” identified by both the individuals
5 interviewed from organisations within the financial sector. However, it has to be noted that this
6 driver in itself is ambiguous as it can be inclusive in the other identified driver such as reputational
7 risk and legal risk.
8
9

10 **Organisational structure and responsibilities to support sustainability initiatives and activities**

11 Seven of the eleven organisations have dedicated positions appointed to specifically address
12 sustainability (see Table 4). These appointments vary significantly in scale, with some organisations
13 having dedicated ‘departments/units’ whilst others have a single person with a dedicated
14 appointment. The remaining four organisations either have an individual, such as the environmental
15 manager, with a dual role who coordinates initiatives to respond to sustainability, or the
16 responsibility is more dispersed and sits specifically with Executive Directors or a Board.
17 Interestingly, the interviewees generally all indicated that sustainability issues were reported either
18 directly to the Board, CEO or Executive Directors of the organisation. Thus, although the structure of
19 responsibility varies, the level of importance and oversight of sustainability issues, indicated by the
20 high reporting level, is relatively uniform. The role of the Board in addressing sustainability issues is
21 specifically worth highlighting as it appeared to be the most common (4 out of 10) reporting
22 structures for sustainability, closely followed by Executive, and the CEO.
23
24
25
26
27
28

29 **Financing sustainability initiatives and activities**

30 More than half of the organisations that were interviewed have a budget specifically assigned to
31 sustainability orientated projects or activities. Based on the descriptions in Table 5 it is evident that
32 those organisations without a specifically assigned budget generally claimed to apply a more
33 integrative approach to addressing sustainability related projects or activities, as they are reportedly
34 identified, prioritised and driven by the overall business strategy. Those organisations with dedicated
35 budgets, except for one organisation that appeared to have a dual approach (see mining and
36 industry), identify sustainability activities or initiatives based on strategic or operational criteria.
37 These approaches were generally identified from within a specific division or unit, such as an
38 environmental or technical department, of the organisation in response to legal, operational or
39 investment priorities; for example risk reduction.
40
41
42
43
44

45 **Communicating sustainability**

46 For most organisations (six in both cases), the communication of sustainability efforts and priorities
47 is primarily linked to standardised reporting and audit functions associated with internal
48 performance and governance processes (see Table 6). Representatives from all sectors, especially
49 financial services, identified sustainability reporting as a key element of sustainability
50 communication in the organisation. This same number, albeit not all the same organisations, also
51 highlighted the role of divisional and individual performance indicators in articulating the
52 importance of sustainability activities in the organisation. In many cases, although not asked this
53 directly, interviewees further expressed a need for improved communication, especially internally,
54 relating to sustainability issues. For some, employee awareness programmes had already been
55 established with this aim in mind, while others noted the importance of efforts in communicating
56 upwards to executive and board representatives, as well as externally via stakeholder interaction
57
58
59
60

1
2
3 (three organisations each). These findings also further underline earlier sentiments expressed by the
4 interviewees regarding the lower profile of sustainability efforts among employees in the lower
5 ranks of the organisation.
6
7
8
9

10 DISCUSSION

11 Of the organisations interviewed, it is clear that they have a strong commitment and drive towards
12 sustainability as highlighted in their high confidence expressed in their respective organisations'
13 sustainability profiles and performances. This implies that organisations are spending significant
14 time and resources to ensure that they contribute towards corporate sustainability goals and targets
15 and that these are communication to their stakeholders. In this regard the process of sustainability
16 reporting is seemingly of critical importance. For example, the Global Reporting Initiative and related
17 sustainability reporting standards have been instructive in providing best practice guidelines and
18 performance indicators against which business can measure and report their contribution towards
19 global sustainability objectives (WBCSD, 2010; KPMG, 2010). In most cases, the preparation of this
20 report would form part of the responsibilities of those interviewed, suggesting a strong confidence
21 in the success and reach of their own efforts. From their perspectives, by putting in place
22 sustainability strategies and plans with targets against which to measure their non-financial
23 performance they have been better able to show brand integrity, identify risks, become innovative
24 towards addressing efficiencies, and adapt to change. This is consistent with a global trend in that
25 organisations are recognising the imperative and value of committing to sustainability as a
26 mechanism towards improving profitability with their organisations (KPMG, 2011; Haanaes *et al.*,
27 2012).
28
29
30
31

32 While the need and desire to do the right thing is often cited as a primary motivation toward
33 engaging in sustainability, what is becoming more evident in practices thereof is that organisations
34 are increasingly finding economic drivers for their sustainability actions (KPMG, 2011; Haanaes *et al.*,
35 2012). This is highlighted in the primary drivers of sustainability, namely that of financial security,
36 managing risks to the business, brand value and reputation, and regulatory compliance (KPMG,
37 2011). The organisations that were interviewed reiterated these drivers but what is evident is the
38 differences in what they identified as their respective main sustainability drivers. This is mainly due
39 to different pressure points that these organisation experience from various stakeholders mainly
40 around their product offering.
41
42
43
44

45 While financial sustainability was identified as a driver it is actually more of an overarching goal to
46 which the other sustainability drivers contribute. For example, the drivers of 'brand value and
47 reputation' is interrelated to financial sustainability, since sustainability practices such as energy
48 reduction, responsible packaging, reduction in carbon emissions, and social investments (to name a
49 few), into an organisations branding and advertisement has shown to have positive implications on
50 their reputation and thereby their financial security. In a previous study respondents identified the
51 impact on an organisation's image and brand as the principal benefit of addressing sustainability as it
52 leads to competitive advantage (Berns *et al.*, 2009). Similarly, by adhering to customer concerns and
53 being responsible global citizens in terms of social and environmental impact, and being transparent
54 in the process, also has significant impact on organisation performance.
55
56
57
58
59
60

1
2
3 While all interviewees indicated a place for sustainability accountability at senior levels of their
4 organisation, the location of these divisions and responsibilities as operational or strategic roles
5 were quite diverse. With the exception of one organisation (food and beverage) all of the
6 organisations that were interviewed have dedicated positions appointed to deal with various aspects
7 of sustainability, from health and safety, to stakeholder communications. These appointments vary
8 in scale, with some organisations having dedicated 'departments/units' whilst others have a single
9 person with a specific role, in many cases, linked to sustainability reporting. Although the structure
10 of responsibility varies the level of importance, indicated by the high reporting level, is relatively
11 uniform. Most importantly, all respondents indicated that the oversight of sustainability activities
12 and issues ultimately rested with those at the executive and board level. The role of the board in
13 addressing sustainability issues is specifically worth highlighting, as it appeared to be the most
14 common reporting structures for sustainability, closely followed by executive, and the CEO. It also
15 suggests a high level of importance that is placed in the opportunities and risks posed by
16 sustainability-related issues. This is consistent with other findings that have been reported (KPMG,
17 2011).

18
19
20
21
22 As in other areas, the organisations that were interviewed have taken diverse measures and means
23 of communicating sustainability both internal and externally to the organisation. Most organisations
24 indicated that the communication of sustainability occurs primarily through accountabilities and
25 indicators at an individual or organisation level, perhaps reflecting the continued theme and
26 importance of sustainability reporting in South Africa. These responses may also reflect a common
27 challenge in the definition and interpretation of corporate efforts towards sustainability and the
28 related lack of agreement on the identification, prioritisation and evaluation of its many facets (van
29 Marrewijk, 2003). It is precisely here that sustainability reporting standards can assist in providing a
30 constructive and legitimate framework for sustainability decision-making. It would also appear,
31 based on these findings, that sustainability reporting and related performance indicators are also
32 used as communication vehicles for sustainability priorities within the organisation. This may
33 suggest an emphasis on detail orientation among audience-specific actions, namely stakeholder
34 relations and reporting and performance management, rather than on internal bottom-up
35 (managerial communication) or top-down (employee awareness) approaches. This would also
36 account for the frequent mention among the interviewees of a need to improve internal efforts in
37 these areas.
38
39
40
41
42
43

44 **CONCLUSIONS**

45 Corporate sustainability programmes and strategies are evolving. Organisations and their executives
46 are increasingly recognizing the importance of sustainability to the future of their business. While
47 many corporate sustainability initiatives began because organisations felt they had to, in response to
48 compliance requirements or to support corporate values statements, more organisations now want
49 to deploy sustainability programmes to reap greater shareholder value. Corporate sustainability
50 initiatives are also expanding across the spectrum of organisation size and industry sector. No longer
51 solely the domain of the smokestack industry or large multinational conglomerates, organisations of
52 all types and size are increasingly implementing sustainability initiatives and practices (CIMA, 2012).

53
54
55
56 The responsibility for, drivers of, and communication of sustainability are all areas of broad
57 interpretation from the perspectives of the organisations that have been interviewed. However, in
58
59
60

1
2
3 many areas of this investigation, the interviewees made reference, directly or indirectly, to the
4 centrality of sustainability reporting in driving sustainability activities and decision-making; by
5 integrating sustainability activities into how they manage reputation risk, generate cost savings and
6 ensure long-term profitability and competitive advantage, similar to strategies that are reported in
7 developed countries.
8

9
10 What has become evident from this study, specifically relating to sustainability profile, performance
11 and sustainability drivers, is that organisations, in South Africa, are adapting and stretching the
12 definition of sustainability and the practice thereof within the common goal of securing profitability.
13 It is this that is squiring sustainability. What is emerging now is that sustainability is being viewed
14 and adapted in business as a source of innovation and new growth. Focusing on sustainability is
15 leading business to create and access new markets for greener products, improved brand credibility,
16 price premiums for green products, and new finance sources. Business can basically operate as usual
17 if they can find ways to save resources and reduce business risks, while also cutting costs.
18 Organisations can also become providers of new resource-efficient technologies and products by
19 improving the material efficiency of production, develop alternate materials, or find new ways to use
20 natural resources more efficiently.
21

22
23
24 There is no doubt that sustainability has changed corporate culture reflecting business as
25 responsible and accountable citizens. However, the diversification of sustainability purposes and
26 practices in the business community solidifies the self-interest justification upon which it is based
27 and it's largely market-oriented terms and conditions leaving enormous potential for
28 unsustainability. As such, sustainability disclosure we have described in this study is merely a
29 business agenda to protect organisation profits and economic growth in a manner that is seen to be
30 environmental and socially responsible.
31
32

33 34 35 36 **REFERENCES**

37
38 Albino, V., Balice A., Dangelico, R.M. (2009), "Environmental Strategies and Green Product
39 Development: an Overview on Sustainability –Driven Companies", *Business Strategy and the*
40 *Environment*, Vol 18, pp 83-96.
41

42
43 Ameer, R. and Othman, R. (2011), "Sustainability practices and corporate financial performance: A
44 study Based on the top global corporations", *Journal of Business Ethics*, Vol 108 No 1, pp 61-79.
45

46
47 Aras, G. and Crowther, D. (2009), "Corporate sustainability reporting: A study in disingenuity?",
48 *Journal of Business Ethics*, Vol 84 No 1, pp 279-288.

49
50 Beermann, M. (2011), "Linking corporate climate adaptation strategies with resilience thinking",
51 *Journal of Cleaner Production* Vol 19 No 2011, pp 836-842.
52

53
54 Berns, M., Townend, A., Khayat, Z., Balagopal, B., Reeves, M., Hopkins, M.S. and Kruschwitz, N.
55 (2009), "The business of sustainability: What it means to managers now", *MIT Sloan Management*
56 *Review, Research Report*, Boston, MA.
57
58
59
60

1
2
3 Carroll, A.B. and Shabana, K.M. (2010), "The Business Case for Corporate Social Responsibility: A
4 Review of Concepts, Research and Practice", *International Journal of Management Reviews*, Vol 12
5 No 1, pp 85-105.
6

7
8 Chartered Institute of Management Accountants (CIMA). (2012), "Sustainability and Shareholder
9 Value", availables at: <http://www.cfoinnovation.com/content/sustainability-and-shareholder-value>
10 (accessed 31 May 2012).
11

12 Crane, A. (2000), "Corporate greening as a moralization", *Organization Studies* Vol 21 No 4, pp 673–
13 696.
14

15 Daily, B.F. and Huang, S.C. (2001), "Achieving sustainability through attention to human resource
16 factors in environmental management", *International Journal of Operations & Production*
17 *Management*, Vol 21 No 12, pp 1539–1552.
18

19
20 Dyllick, T. and Hockerts, K. (2002), "Beyond the business case for corporate sustainability", *Business*
21 *Strategy and the Environment*, Vol 11, pp 130–141.
22

23 Eweje, G. (2011), "A shift in corporate practice? Facilitating sustainability strategy in companies",
24 *Corporate Social Responsibility and Environmental Management*, Vol 18, pp 125-136.
25

26 Foerstl, K., Reuter, C., Hartmann, E. and Blome, C. (2010), "Managing supplier sustainability risks in a
27 dynamically changing environment—Sustainable supplier management in the chemical industry",
28 *Journal of Purchasing and Supply Management*, Vol 16, pp 118-130.
29

30
31 Gonzales-Benito, J. and Gonzales-Benito, O. (2008), "Operation management practices linked to the
32 adoption of ISO 14001: An empirical analysis of Spanish Manufacturers", *International Journal of*
33 *Production Economics*, Vol 113, pp 60-73.
34

35 Gray, R. (2006), "Social, environmental and sustainability reporting and organizational value
36 creation? Whose value? Whose creation?", *Organisational Value Creation*, Vol 19 No 6, pp 793–891
37

38 Haanaes, K., Reeves, M., von Strengvelken, I., Audretsch, M., Kiron, D. and Kruschwitz, N. (2012),
39 "Sustainability nears a tipping point", *MIT Sloan Management Review and the Boston Consulting*
40 *Group*, Research Report, Boston, MA.
41

42
43 Hart, S.L. (1997), "Beyond greening: Strategies for a sustainable world", *Harvard Business Review*,
44 Vol 75 No 1, pp 66-76.
45

46 Hopkins, M.J.D. (2002), "Sustainability in the internal operations of companies", *Corporate*
47 *Environmental Strategy*, Vol 9 No 2, pp 1-11.
48

49
50 Kolk, A. (2004), "A decade of sustainability reporting: developments and significance", *International*
51 *Journal of Environment and Sustainable Development*, Vol 3 Iss 1, pp 51–64.
52

53 KPMG. (2010), "Sustainability reporting: The emerging challenge", available at [http://](http://www.kpmg.com/sustainability)
54 www.kpmg.com/sustainability (accessed May 20 2012).
55

56 KPMG. (2011), "Corporate Sustainability: A Progress Report", available at
57 <http://www.kpmg.com/sustainability> (accessed 20 May 2012).
58
59
60

1
2
3 KPMG. (2012), "Expect the unexpected: Building business value in a changing world", available at
4 [http:// www.kpmg.com/sustainability](http://www.kpmg.com/sustainability) (accessed 20 May 2012).

5
6 Linnenuেকে, M.K., Russell, S.V. and Griffiths, A. (2009), "Subcultures and sustainability practices: the
7 impact on understanding corporate sustainability", *Business Strategy and the Environment*, Vol 18,
8 pp 432-452.

9
10 Lozano, R. (2012), "Towards better embedding sustainability into companies' systems: an analysis of
11 voluntary corporate initiatives", *Journal of Cleaner Production*, Vol 25 No 2012, pp 14-26.

12
13
14 Moon, J. (2007), "The contribution of corporate social responsibility to sustainable development",
15 *Sustainable Development*, Vol 15, pp 296-306.

16
17 Peteraf, M.A. (1993), "The Cornerstones of Competitive Advantage: A Resource-Based View",
18 *Strategic Management Journal*, Vol 14 No 3, pp 179-191.

19
20 Reed, R. and DeFillippi, R.J. (1990), "Casual ambiguity, barriers to imitation, and sustainable
21 competitive advantage", *Academy of Management Review* , Vol 15, pp 88-102.

22
23
24 Reilly, A. and Weirup, A. (2012), "Sustainability initiatives, social media activity, and organizational
25 culture: An exploratory study", *Journal of Sustainability & Green Business*, Vol 1, available at
26 <http://www.aabri.com/manuscripts/10621.pdf> (accessed May 25, 2012).

27
28 Robert, K.H., Schmidt-Bleek, B., Aloisi de Larderel, J., Basile, G., Jansen, J.L., Kuehr, R. and
29 Wackernagel, M. (2002), "Strategic sustainable development - selection, design and synergies of
30 applied tools", *Journal of Cleaner Production*, Vol 10, pp 197-214.

31
32
33 van Marrewijk, M. (2003), "Concepts and Definitions of CSR and Corporate Sustainability: Between
34 Agency and Communion", *Journal of Business Ethics*, Vol 44, pp 95-105.

35
36 van Marrewijk M. and Werre, M.(2003), "Multiple Levels of Corporate Sustainability", *Journal of*
37 *Business Ethics*, Vol 44, pp 107-119.

38
39 WBCSD (World Business Council for Sustainable Development).(2010), "Vision 2050: The New
40 Agenda for Business". World Business Council for Sustainable Development, Conches-Geneva,
41 Switzerland.

42
43
44 Weymes, E. (2004), "Management theory. Balancing individual freedom with organisational needs",
45 *Journal of Corporate Citizenship*, Vol 16, pp 85-98.

46
47 Willis, A. (2003), "The role of global reporting initiative's sustainability reporting guidelines in social
48 screening of investments", *Journal of Business Ethics*, Vol 43, pp 233-237.

49
50 World Wildlife Fund (WWF). (2012), "Living Planet Report 2012". WWF International, Switzerland.

51
52 Yang, L.F. (2002), "Sustainability as Corporate Strategy", University of St. Gallen, St. Gallen

Table 1. Sustainability impacts and initiatives.

<p>Economic impacts</p> <ul style="list-style-type: none"> • Substantial dividend payment to shareholders • Employment opportunities to citizens • Economic well-being of stakeholders • Paying taxes to government • Providing energy and electricity 	<p>Environmental impacts</p> <ul style="list-style-type: none"> • Impact on energy consumption • Consumption of other resources • Carbon emissions • Impact on biodiversity
<p>Social Impacts</p> <ul style="list-style-type: none"> • Operating in community space • Creating and sustaining employment • Pollution in communities • Society well-being • Product responsibility 	<p>Sustainability initiatives/practice (to mitigate negative impacts)</p> <ul style="list-style-type: none"> • Recycle and re-use of materials • Targeting zero carbon foot print • Minimising waste and waste management • Formal environmental impact assessment • Community partnership / stakeholder engagement • Reduction of energy consumption • Support of R&D and technology development • Education • Green procurement

(Source: adapted from Eweje, 2011)

Table 2. The perspectives of the interviewees' on their organisation's sustainability performance and profile - ranked on a scale of 1-10 (10 being the highest and 1 being the lowest).

	Summary of Comments	Profile rank (1-10)	Performance rank (1-10)	Confidence to address global change risks (high, medium, low)
Finance sector	The organisation considers themselves to have competent technical experts and have dedicated sustainability and environmental divisions.	5	8	High
	Sustainability performance and profile directly equates to performance of the business and therefore is important.	8	8	High
	Sustainability reporting outlines diversity of steps being taken by the organisation	7	7	Medium
Food & Beverage retailers	Compared to some of the other food/beverage leaders in the country they consider themselves still behind, but catching up over time. Targets have been set and they have initiatives that everyone (from sweeper to office worker) can report on something / solve problems.	6.5	-	Medium
	The organisation has a broad programme with over 200 targets, They consider themselves to have done well in progressing towards these targets and on benchmarks such as JSE, SRI, and internationally.	7.5	8	High
	The organisation considers itself to have high ownership, brand integrity and respect among retailers and consumers. The rank for profile and performance is considered the same.	9	9	Medium
	The organisation considers itself to have internal commitment and external understanding. Actual accuracy of measurement and behavioural change is considered important.	8	7	High

Mining & Industry	A sustainability strategy has been in place since 2004 – they generally considered themselves to be ahead on social, research and adaptation issues, but behind on emissions. Also leading into water. Financial constraints, and trade-offs are an ongoing challenge. Focusing more inward on own performance at the moment.	7	8	High
	The organisation feels they have the proven ability to innovate and adapt technologies, as well as to respond. Investors are clued up, and ask the right questions. These messages are getting across to employees at a senior level, but shop floor level still need to do work and the broader stakeholders. The organisation is very performance driven. Sustainability is considered to be about identifying risks, adapting and changing business as a result.	-	-	High
	The organisation considers its sustainability profile to be higher in business circles by comparison to general households. Internally, they consider themselves to have a good profile and also consider themselves to be seen as responsible.	-	-	Medium
	The organisation is gaining momentum and wants to keep this momentum going. They are in the process of getting appropriate plans in place.	8.5	8	High

Table 3. The top drivers for sustainability expressed by interviewees.

Sustainability drivers identified by the organisations interviewed	No. of organisations identifying the driver ^a			
	Finance sector (3)	Food & Beverage retailers (4)	Mining & Industry (3)	Total out of 11 ^a
Financial – cost reduction and profitability	1	3	2	6
Managing risks to business	3	1	2	6
Brand value and reputation	1	2	1	4
Legal compliance	1	1	2	4
Resource constraints (energy, water, skilled people).			2	2
Safety/ health of employees			2	2
Accountability and responsibility for their sustainability		2		2
Other ^b		3	1	4

^aNumber of interviewees out of 11 which identified the listed driver as one of their businesses top three drivers for sustainability

^b included-Managing relationships and centralised procurement; Ensuring the business is progressive and proactive; Product innovation, and Flexible business model for retailers.

Table 4. A description of the organisational structures and responsibility for addressing sustainability.

Sector	Is there a dedicated position addressing sustainability?		Reports to:
Finance sector	Yes,	Dedicated business unit focusing on sustainability	Director of Governance & Assurance
	Yes,	Dedicated Sustainability Department. Sustainability Board committee is main focal point, HR represented on committee, as well as Group Services to which the Department report to.	Part of Corporate Affairs Division, reporting to Executive Director of board and board sustainability committee
	Yes	Overarching unit responsible for coordination and reporting on sustainability. Individual custodians in organisation drive certain functionalities	Executive
Food & Beverage retailers	No,	8 years ago the organisation had a dedicated sustainability manager but did not reappoint the position, as it was felt the responsibility sits with entire executive management. Sustainability is not seen as a discipline, every functional head needs to take responsibility.	CEO
	No,	The main responsibility sits with the Board. The day to day activities are generally the responsibility of Quality and Research Manager and the Environmental Manager.	Board
	Yes,	Dedicated manager who reports to the Safety, Health and Environment Manager. There is also a Board of sustainability with an oversight role.	Board
	No,	The Group Secretary has a coordination role, but also HR, Finance and the different Division Managers	CEO & Board (together with executive management team)
Mining & Industry	No,	The Environmental Manager is required to champion the responsibility.	CEO
	Yes,	Dedicated Sustainability Managers, including climate change and innovation	Divisional Executive
	Yes,	A dedicated Sustainable Development Manager within the Safety, Health and Environment Centre (SHE). The SHE centre coordinates but inputs are needed from all the units.	Executive
	Yes,	Dedicated Sustainable Development Manager position. The Sustainability Department does not stand alone, but is part of the broader business and is integrated into every element.	Executive (Corporate affairs)

Table 5. A description of whether the organisation has a budget assigned for sustainability orientated project or activities how such projects or activities are identified and prioritised.

Sector	Budget Y/N	Description of Approach to identify and prioritise sustainability orientated projects or activities
Finance sector	N	No response on how activities are identified
	Y	Primarily driven through Corporate Social Investment (CSI), focused on national priorities, such as education
	Y	Based on how much sustainability activities support business drivers and potential leverage within Board
Food & Beverage retailers	N	Informed by the Managers within the organisation and is addressed as part of total business. No separate 'sustainability' projects or initiatives
	Y	The environmental manager identifies strategic projects often related to resource risks. Technical division identify resource efficiency projects (e.g. power or water saving).
	N	Investments are based on organisation's business needs, such as food security, education.
	Y	Driven by primarily Corporate Social Investment needs. Individual retailers may take on different operational projects (e.g. recycling) but these are not specifically budgeted for.
Mining & Industry	Y	Initiatives identified based on the need to achieve and maintain legal compliance.
	Y	Initiatives are driven by strategic direction report on an annual basis, and a 5year rolling plan split into CAPEX and OPEX. Top 10 priorities are also identified using a bottom up and top down approach.
	N	Driven by a Strategy planning process (about 20 people focussed on strategy of organisation), Executive meets twice a year for strategic session. A comprehensive (bottom-up,top-down) risk management process also identifies priorities.
	N	Multitude of ways for identification and prioritisation. Strongly informed by external inputs from community and customers. In addition, internal strategic processes recommend specific projects.

Table 6. How sustainability is communicated.

	Corporate Governance/ Department Responsible for Sustainability Reporting	Employee Committees Awareness Programmes or Policies	Managing upwards to executive, board and divisional heads	Performance Indicators and sustainability -related divisions	External Stakeholder Communication s and Partnerships	Plans for expansion of communications activities
Finance	*					
	*					
	*		*	*	*	* internal
Food and Beverage	*			*		
			*	*		
	*	*				* external
Mining and Industry		*		*	*	* internal
			*			* internal/external
	*			*	*	* internal