

Sectoral sustainable development strategies: self assessment guide

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Sustainable
Development Commission

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Purpose of this guide

The Sustainable Development Commission (SDC) has produced this guide as part of its work with business sectors, the Department of Trade and Industry (DTI) and the Department for Environment, Food and Rural Affairs (DEFRA), to encourage the development of sectoral strategies for sustainable development. This work has been taken forward through the Pioneers Group, a network of interested sectoral organisations.

The aim of the guide is to improve the quality and accountability of sectoral sustainable development strategies. It provides a quality assurance framework which sectors can use to assess the quality of their draft sustainable development strategies. It can also be used as a reference document for those preparing strategies, to ensure that their strategy will ultimately meet the standards established by the Sustainable Development Commission.

What is sustainable development?

Sustainable development is about delivering a better quality of life for everyone, now and for generations to come. Government has defined four key objectives, the integration of which will deliver sustainable development:

- social progress which recognises the needs of everyone
- effective protection of the environment
- prudent use of natural resources
- maintenance of high and stable levels of economic growth and employment.

Two centuries of industrial development have made life better for many people in ways that would have been unimaginable even a generation ago. But it has also brought increasing damage to the physical systems and social fabric on which our well-being depends. What we need now is a different kind of development, one which meets people's needs without compromising our future. For this to be sustainable, we must take full account of the social, economic and environmental impacts of our decisions, over the long term.

The sectoral approach

Sustainable development issues are becoming increasingly important to governments and consumers. This has important implications for trade associations in:

- Representing and promoting business sectors to policy makers
- Safeguarding and enhancing the reputation of the business sector and its member companies
- Helping member companies become more competitive.

Any trade association which ignore these issues, or tries to fend them off instead of turning them to competitive advantage, is likely to become less effective champions for its members and sector.

Sustainable development strategies provide a framework to help business sectors identify and manage economic, environmental and social risks in an integrated way, and to unlock opportunities to improve competitiveness and enhance reputation.

There are some key points to remember about such strategies:

- Strategies are business-owned and therefore an important step in enhancing the profile and effectiveness of voluntary business action
- Although strategies must include some key core elements, they do not have to follow a single blueprint - different approaches can reflect the different circumstances and priorities of each sector
- Strategies should build on existing activities and need not start from a blank sheet of paper
- Sectors should see strategies as long-term processes of continuous improvement - it's all about learning by doing.

Benefits to sector organisations

There are clear benefits to trade associations in developing sustainable development strategies:

- Providing a focus for the development of new industry standards - which can benefit companies and consumers alike
- Improving the reputation of the UK sector domestically and internationally
- Developing and sharing sector-specific toolkits for assessing and improving sustainability
- Giving members reassurance that they are not working alone in new areas
- Helping members avoid risks inherent in unsustainable behaviour
- Representing members better by knowing and understanding the issues
- Influencing Government and other agencies more effectively to pre-empt or inform future regulatory action.

Challenges resulting from the diversity of sectors

Sectors are extremely diverse, including everything from small groups of large multinational corporations to large groups of small and medium sized businesses and even collections of individual professionals. There may be constraints on some sectors because of their mandate or nature.

This diversity does not detract from the need for sectors to develop strategies which contain certain core elements, such as realistic quantifiable objectives, targets and indicators. Ideally data should be available for all organisations within a sector and targets and objectives set for the sector as a whole. However, some sectors, particularly those with a very large or diverse membership, may find this impossible. This does not mean that a strategy cannot be developed or that targets and objectives cannot be defined.

One option is to have a list of individual members, increasing over time, who are signed up to the full range of targets. Alternatively, some members could commit themselves to achieving some key targets. Sector bodies representing professional individuals may focus their strategies on advocating sustainable practices within organisations to which they provide professional services.

Key points of a strategy

It is vital that strategies are focussed on delivery of key objectives. They should establish practical ways of delivering on measurable targets for worthwhile improvements. The key ingredients of a strategy are:

Acceptance and understanding of key principles of sustainable development

Audit of current performance

Appraisal of opportunities and threats related to sustainable development



Adoption of objectives, targets and indicators

Assessment of the strategy

Action to achieve targets and objectives

Accounting for action by reporting

This is very much a cyclic and iterative process and sectors will need to return to review each of these aspects many times as they produce and review a strategy over time.

Each of the key points is discussed in more detail below.

acceptance and understanding of key principles of sustainable development

Understanding of the meaning of sustainable development and how it relates to the sector is critical to the evolution of a worthwhile strategy. This understanding should be evident throughout. An appreciation of the business case for sustainable development should also be clearly reflected in the document.

audit of current performance

It is essential for those developing a strategy to start by identifying the economic, social and environmental impacts, both good and bad, of the sector. This audit needs to include: consideration of the supply chain, sourcing of raw materials and energy, impacts from manufacture and processing, impacts on employees and the community, impacts from transport, use of products and disposal as appropriate. It is important to consider the social and economic impacts of all these elements as well as the environmental aspects. The sector should take responsibility for those impacts.

Identification of recent trends will also inform the setting of targets for improvement. As a minimum, it is vital to establish baseline data for the economic, environmental and social impacts of the core business area of the sector. An assessment of the core competencies and resources of the sector may inform this process. These impacts should be set in context of their importance locally, nationally and (where relevant) internationally.

appraisal of opportunities and threats related to sustainable development

The strategy also needs to identify threats to the sector from unsustainable practices, and opportunities for the sector to benefit from more sustainable ways of working. Strategic opportunities and threats may include:

- technical
- social
- environmental
- legislative.

Opportunities for working with other sectors or with sectors from other countries should be assessed. Sometimes a sector working alone can only achieve a limited amount, but there may be greater opportunities if sectors work together. Sectors from other countries can also work together to make sure that sustainable practices spread.

adoption of objectives, targets and indicators

As in any business proposition, a sustainable development strategy needs to move on from its assessment of its baseline position, and to set objectives, targets and indicators for future improvement. It should be clear what it is intended that the strategy as a whole should achieve. Indicators need to suit the sector and reflect the relative importance of different factors. The availability of comprehensive, transparent and verifiable data will be a major consideration. The strategy should make clear how important an indicator is to the sector. Indicators should take account of performance internationally as well as within the UK. This will ensure that international co-operation can be credited and that unsustainable practices are not simply exported. Indicators should be capable of being used by individual organisations within a sector. It should not be necessary for a sector to invent its own indicators. Table A (at page 8) sets out 22 objectives, each with a number of possible indicators, drawing in particular on the objectives and indicators from *Quality of Life Counts* (DETR 1999) and the Global Reporting Initiative. It also offers reasons why these objectives are relevant to business. If possible, strategies should include all the objectives listed in Table A and as many indicators as are relevant to the sector. Additional indicators should be added where appropriate. (see [DEFRA](#), [SDC](#), and [Global Reporting Initiative](#) web pages.)

Targets based on these indicators need to be realistic but challenging and to be related to timescales. Possible obstacles to meeting objectives and opportunities for exceeding targets

should be considered. It should be clear in each case how the sector or organisation has been defined in setting targets. The *Making a Corporate Commitment* (MACC2) information produced by DEFRA provides additional useful advice on adopting targets.

assessment of the strategy

Before the strategy is implemented it should be assessed using the questions below, to ensure that all the necessary components are in place. Once this exercise has been completed it may be necessary to revise and enhance the strategy.

action to achieve targets and objectives

As with any strategic objective, sustainable development can only be achieved with action. A strategy must include a clear vision of what needs to be done, by whom and by what means. It should not simply be a vehicle for reporting on current approaches; it should be a driver for measurable change.

A strategy must include practical examples of action and set out a process for industry-wide benchmarking and for spreading best practice between member organisations. The overall strategy document should demonstrate commitment and provide information, advice and guidance on how sector members should apply and achieve the targets within their organisations. Individual member companies should be encouraged to share sustainability initiatives with others, to show how progress can be made by comparable organisations.

accounting for action by reporting

Regular reporting, at least annually, on progress towards targets, along with regular reviews of the strategy itself are essential to ensure that progress is achieved. Indicators, objectives and targets may need to be altered and the focus of the strategy will inevitably evolve over time.

How to assess your strategy

Building on the key steps set out above, the following list of assessment questions can be used to judge the quality of a strategy. To be adequate, a strategy should answer each question either fully or satisfactorily. Additional weight should be given to fully answering questions which are of most significance to the sector. Many of these factors may and should interact. For example, it will not be enough to list principles of sustainable development, if it is clear that these have not been reflected throughout the document. Where best practice is identified the strategy should set out proposals for dissemination and adoption of this practice. Where targets are established, the strategy should identify how they are to be achieved and where responsibility for this lies.

Effectiveness

The purpose of having a sustainable development strategy is not just to have a strategy. A critical part of assessment is to consider what the total effect of the strategy will be on the sustainability of the sector. Although assessment of the component parts will go a long way to achieving this, an overall view of the combined effect of these elements is also needed.

Appraisal questions

General principles

To what extent does the strategy:

1. Show a recognition and understanding of the meaning and objectives of sustainable development in general and as they relate to that sector?
2. Acknowledge the costs and limits of unsustainable activity and the benefits of action to achieve sustainability?
3. Acknowledge the need for a precautionary approach?
4. Place people at the centre of the strategy and involve stakeholders including supply chain partners, customers and disposers?
5. Demonstrate a high level of commitment to the implementation of the strategy among participants?

Assessment of current performance of the sector and recent change

To what extent does the strategy:

6. Identify clearly and openly the general economic, social and environmental impacts, both good and bad, of the sector and take responsibility for those impacts? Does this include:

- consideration of the supply chain
- source of raw materials and energy impacts from manufacture and processing
- impacts from transport
- impacts on employees and communities
- use of products and final destination
- overseas impacts as appropriate?

7. Identify threats to the sector from unsustainable practices and identify opportunities for the sector to benefit from more sustainable practices?

8. Assess the past performance of the sector (clearly defined) against appropriate indicators (see Table A) and assess the move towards (or away from) sustainable development over time? Does this assessment reflect the concerns of stakeholders and the wider public? Can additional or more appropriate indicators be added? Can these indicators be applied to future performance for consistent reporting?

Specific sectoral performance, indicators and targets

To what extent does the strategy:

9. Identify opportunities for the sector to contribute to improvements and breakthroughs (such as technological innovations) which might help achieve sustainable development? Does the strategy include proposals for their implementation, including the costs of such work?

10. Identify opportunities for sectors to work together to achieve greater progress or any constraints which exist if sectors are forced to work in isolation?

11. On the basis of 6-10 above, establish indicators and targets for the sector to achieve improvements in terms of tangible benefits and measurable criteria for success?

- Are these indicators realistic and challenging?
- Are timescales established?
- Is the data to be used transparent and verifiable?
- Is the sector clearly defined for the purposes of target setting?
- Is it clear what factors may influence the ability of the sector to deliver these targets?
- Are costs and benefits identified?
- Does it also identify action which may be necessary to alleviate any limiting factors?

12. Assess whether the impact of implementing the strategy as a whole is likely to be positive/neutral/negative in terms of the indicators listed in Table A and any other relevant indicators? Are there ways in which the strategy could be refined to make the effect more positive or less negative?

13. Require annual reporting against indicators for improvement? Identify a process by which the strategy can be reviewed and enhanced as lessons are learnt?

14. Take a long-term perspective in addition to short-term indicators (at least 10 years)?



Exemplification, application and dissemination

To what extent does the strategy:

- 15.** Relate its assessment of performance and future targets and indicators to practical and actual examples? Is there a sector leader or leaders - organisations or groups of organisations that can demonstrate the strategy as applied to their activities?
- 16.** Include proposals to facilitate and encourage the application of the strategy and achievement of targets by individual organisations?
- 17.** Establish and seek to disseminate and encourage best practice and benchmarking?
- 16.** Raise awareness of sustainable development issues among members and a wider audience?

Table A: Objectives and possible indicators for sectoral strategies for sustainable development

Table A has been made available in *Adobe Acrobat* format for downloading.

The *Adobe® Acrobat Reader®* can be freely [downloaded](#).

Viewers with visual difficulties may find it useful to investigate services provided to improve the accessibility of *Acrobat* documents - <http://access.adobe.com>

- [Table A: Objectives and possible indicators for sectoral strategies for sustainable development](#) (*Adobe Acrobat* - 97kb)

What is the SDC?

We are an independent advisory body, with 24 members drawn from all parts of the UK and from business, NGOs, local government, regional organisations and academia. We are supported by a cross-sectoral Secretariat.

Our mission is to inspire sustainable development as the central organizing principle in government, the economy and society. Our task, given by the Government, is to advocate sustainable development across all sectors in the UK, review progress towards it and build consensus on the actions needed if further progress is to be achieved.

Established in October 2000, we report jointly to Tony Blair and the leaders of the devolved administrations in Wales, Scotland and Northern Ireland.

What is the pioneers group?

DTI and DEFRA have established the Pioneers Group, a best practice forum of over 20 sectoral organisations, working to accelerate the development and implementation of sectoral sustainable development strategies. The Pioneers Group:

- Helps business help itself through more effective networking
- Operates pro-actively in helping sectors identify and overcome barriers to sustainable development
- Builds and maintains momentum
- Facilitates the dissemination of experience and best practice.

The Sustainable Development Commission is supporting the Pioneers Group in developing a deeper understanding of the principles and practices of sustainable development. The Pioneers Group will report on its progress in summer 2002.

Table A
Objectives And Possible Indicators For Sectoral Strategies For Sustainable Development

Ref No	Objective	Suggested Indicators	Relevance	Objectives check list	Your indicators and desirable outcomes
Maintaining high and stable levels of economic growth and employment					
1	Contribute to economic growth.	Net profit / earnings / income. Return on capital employed. Trade balance with other countries. Economic impact of products. Develop new markets	A strong economy provides good conditions for business including strong markets. High profits enable expansion and innovation in business activity.		
2	Invest in modern plant and machinery as well as research and development to achieve prosperity.	Levels of investment in plant, machinery, buildings, research and development.	Investment is recognised as vital to increased efficiency, profitability and competitiveness.		
3	Maintain high and stable levels of employment.	Numbers of people employed in sector. Productivity of workforce.	High levels of employment create larger markets. Productivity of the workforce is crucial to profitability.		
Social progress which recognises the needs of everyone					
4	Help Build sustainable communities.	Company involvement in community projects. Support for local economy (local sourcing schemes). Support for training, (access to company facilities etc.)	Supports positive business reputation. Community involvement activities can help to better understand diverse customer segments and identify opportunities for new products.		
5	Equip people with the skills to fulfil their potential	Level of investment in training. Ratio of training budget to operating costs. Businesses recognised as investors in people	All industries need to invest in training to be efficient, innovative and competitive.		

Ref No	Objective	Suggested Indicators	Relevance	Objectives check list	Your indicators and desirable outcomes
6	Achieve fairness at work	People working long hours. People on low pay . Employment of women and ethnic minorities (including numbers in middle and senior positions). Employee retention. Job satisfaction. Human rights violations.	A diverse, respected and well managed workforce is likely to be committed, productive and support positive business reputation. Cost savings can be made by improved recruitment and retention rates as well as productivity. Significant legal costs and loss of reputation can result from poor performance against these indicators.		
7	Maintain safe and healthy environment at work	Work fatalities (including those not at the workplace but work related, eg. asbestosis). Working days lost through injury and illness. Levels of absenteeism.	Preventing illness and injuries can avoid loss of productivity and increased overall labour costs (as replacements need to be paid.) It can improve business reputation and avoid costs in insurance premiums, medical and legal costs.		
8	Tackle Poverty and Social Exclusion	Corporate giving and community projects.. Social impact of products. Number of companies involved in volunteering/mentoring schemes. Number of Companies involved in new deal of other Government initiatives.	Corporate engagement in local communities can improve reputation and trust. Supporting the development of less-developed areas including inner cities and developing countries can open up new markets.		
9	Raise quality of life of workers in global supply chains.	Companies implementing ethical trading codes of conduct	Unethical treatment of workers abroad can be severely damaging to businesses reputation and market position.		
Effective protection of the environment					
10	Reduce emissions of greenhouse gasses	CO2 output and output of ozone depleting gasses.[Include output from not just	Reduction in output of CO2 and other gases indicates increased		

now and plan for further reductions in future.	manufacture or extraction]. Use of energy from renewable sources. Depletion of fossil fuels.	efficiency and reduced costs. Effective management of emissions suggests good business management.		
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Ref No	Objective	Suggested Indicators	Relevance	Objectives check list	Your indicators and desirable outcomes
11	Reduce air pollution and ensure air quality continues to improve.	Outputs of pollutants covered by national air quality objectives. Include emissions from transport, supply chain users and disposers as well as core business.	Reducing emissions can be very beneficial to business reputation, indicate more efficient and controlled processes and can result in a healthier workforce.		
12	Improve water quality in rivers, estuaries and the sea.	Emissions of substances into watercourses and the sea Use of extracted water. Water efficiency of products.	Reduced use of water can save costs. Water pollution can cause high negative profile.		
13	Maintain and enhance biodiversity.	Amount of land owned, leased or otherwise affected by organisation by habitat type and status (degraded, pristine etc.) Habitat changes due to operations. Amount of habitat protected or restored. Impacts on protected areas.	Enhanced biodiversity will improve the quality and amenity value of the local environment. Damaging such habitats can have severe and long term effect on reputation.		
14	Reduce noise.	Level of noise from processes and transport. Noise from suppliers. Noise from product or use of product. Impact on noise sensitive environments eg. National Parks, residential areas.	Noise can be damaging to reputation of the organisation and the health and safety of the workforce. Can suggest inefficient or outdated process. Can result in claims and legal costs.		
15	Re-using previously developed land, in order to protect the countryside and encourage urban regeneration.	Reuse of previously developed land compared to take of green-field sites. Creation of derelict land. Amount of permeable surface as % of land owned.	Urban sites may benefit from local suppliers and availability of labour. Grant support / rate holidays may be available for brown sites. Planning permission and capital may be easier to obtain.		
16	Improve choices in transport and reduce need for travel.	Kilometres travelled by mode.(air, rail, road, water) by freight and business travellers. Active policies on fleets, business travel, workforce commuting.(Green travel plans) and visitor transport. HGV mileage intensity.	Careful management of transport of goods and employees across a range of modes can result in significant cost savings. E.g. lorries run full each way and by the best routes, vehicles are efficient and		

			suitable.		
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Ref No	Objective	Suggested Indicators	Relevance	Objectives check list	Your indicators and desirable outcomes
17	Assess environmental impacts, set targets and produce reports	Adoption of environmental management systems (ISO 14001) and EU Eco-management Audit Scheme (EMAS) Companies setting organisational and performance environmental targets. Companies reporting on their environmental performance to Govt standard. Number of companies signed up to Making a Corporate Commitment or other schemes of this kind.	Reputation enhanced by being seen as leader in environmental management, may provide marketing advantage and reduce risks and costs in insurance, capital etc.		
Prudent use of natural resources					
18	Greater Energy Efficiency	Energy use in the sector. Efficiency of transport used in sector. Energy efficiency of products. Energy efficiency of supply chain.	Energy efficiency reduces costs.		
19	Greater Resource Efficiency	Use of key resources and materials in sector. Resource efficiency of supply chain.	Considerable savings can be achieved if use of resources can be minimised.		
20	Move away from disposal of waste towards waste minimisation recycling and recovery.	Total waste by sector. Waste to landfill. Waste arising from use of products. Proportion of product recyclable. Levels of materials recycled. Levels of hazardous (special) waste produced. Levels of radioactive waste .	Disposal of waste is costly. Reduced waste indicates more efficient process.		
21	Avoid storing up pollutant problems for the future.	Emissions of persistent organic compounds, radioactive discharges.	Reduces potential liabilities and improve business reputation.		
22	Use consumer information to encouraging movement in the market towards sustainability.	Amount and accuracy of information provided (accreditation to ISO 14021)	Good marketing of sustainable practices and products can increase market share and take up of products as well as sector reputation.		

