



Risk Matters
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**Managing Director
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This afternoon I wish to outline a model for looking at the organisational sustainability risks.



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Is sustainability an issue?



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AND



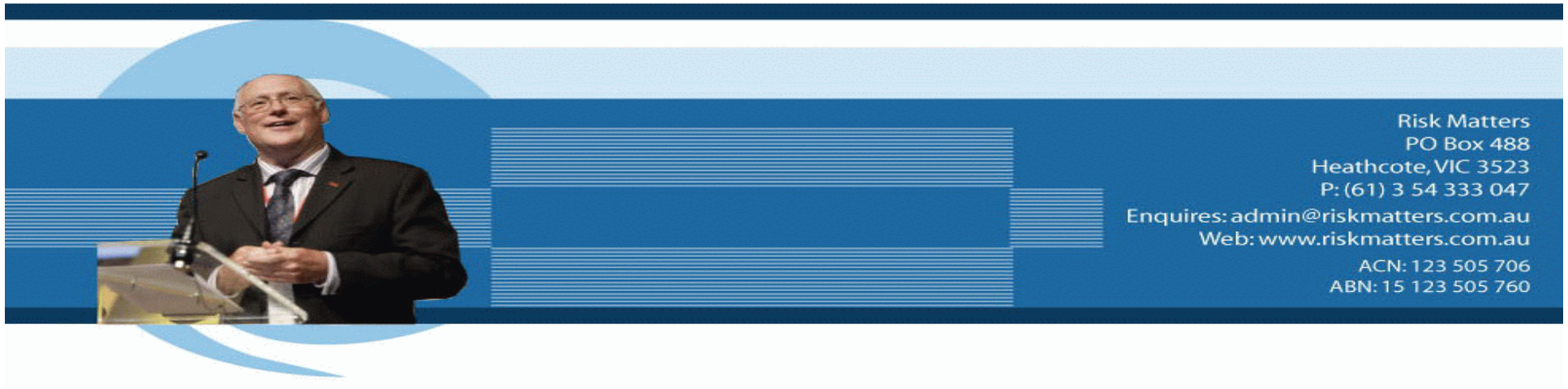
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French Soccer Team 1959



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French Soccer Team 2008



Is sustainability an issue?

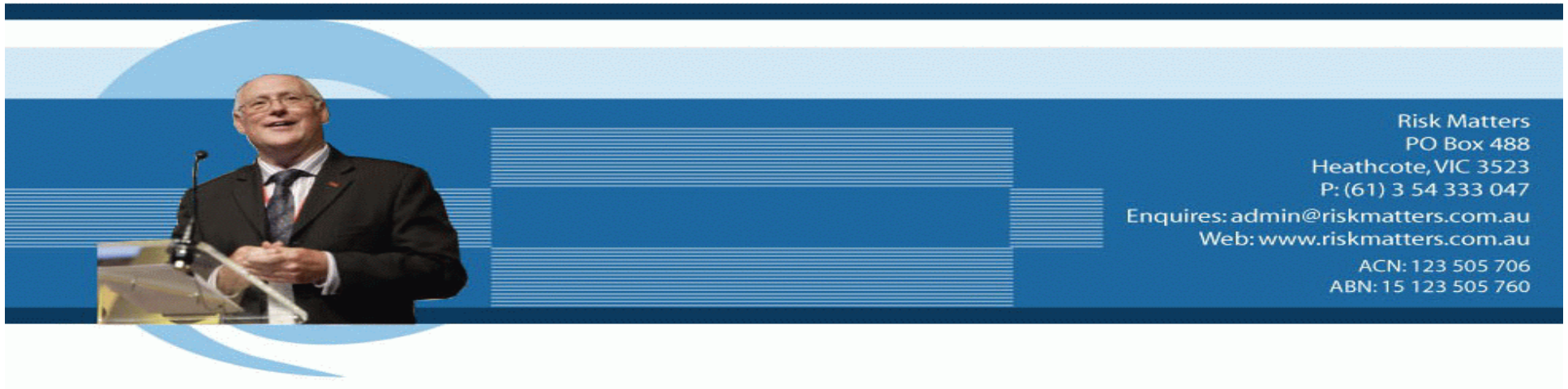
Yes because.....



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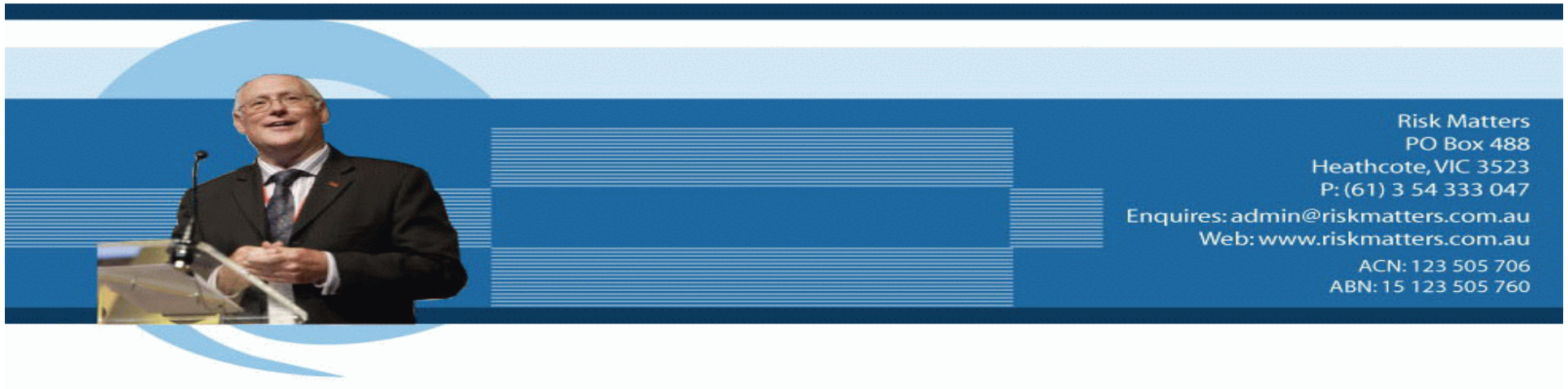
*"Maybe this world is another planet's Hell." -
Aldous Huxley*

*"It has become appallingly obvious that our
technology has exceeded our humanity." -
Albert Einstein*



“In the next 23 years between now and 2030, we will use as many economic resources as humanity has used since it first stood on two legs – over 3 million years or so.”

Daly, H., “Ecological Economics and Sustainable Development, Selected Essays of Herman Daly”, Edward Elgar Publishing, 2007, North Hampton.

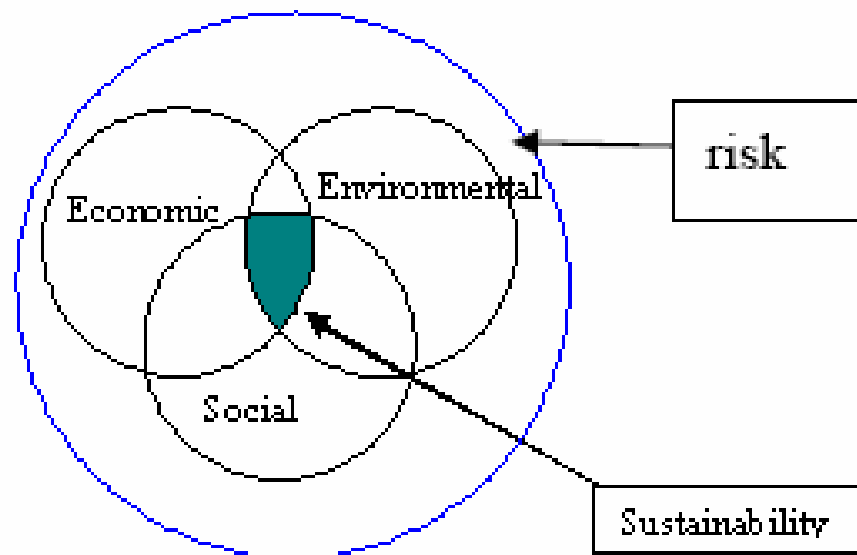


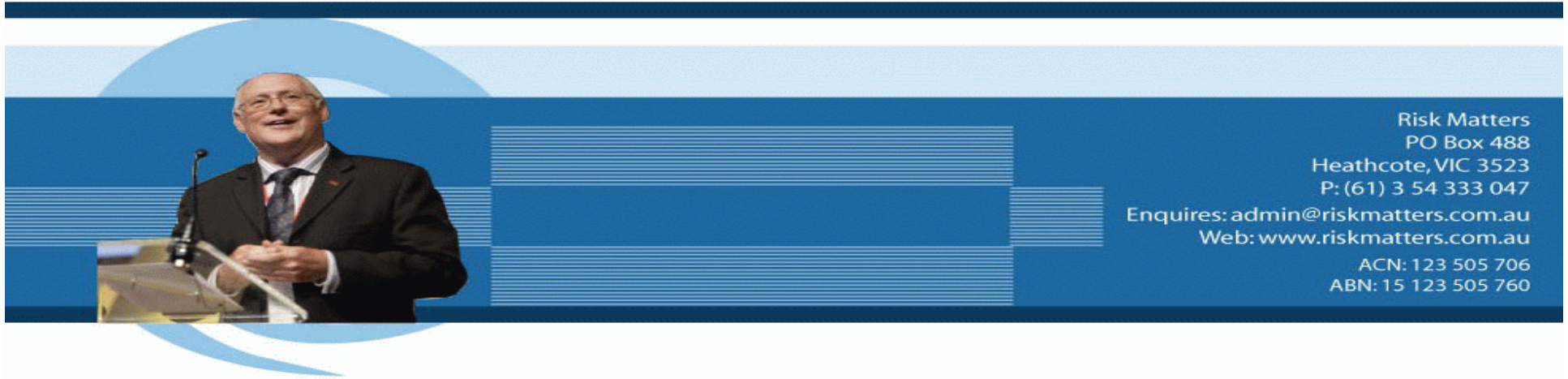
Wehrmeyer, W., & Pediaditi, K. proposed a model for looking at sustainability and risk that saw sustainability as including:

- Economic risk
- Environmental risk, and
- Social risk



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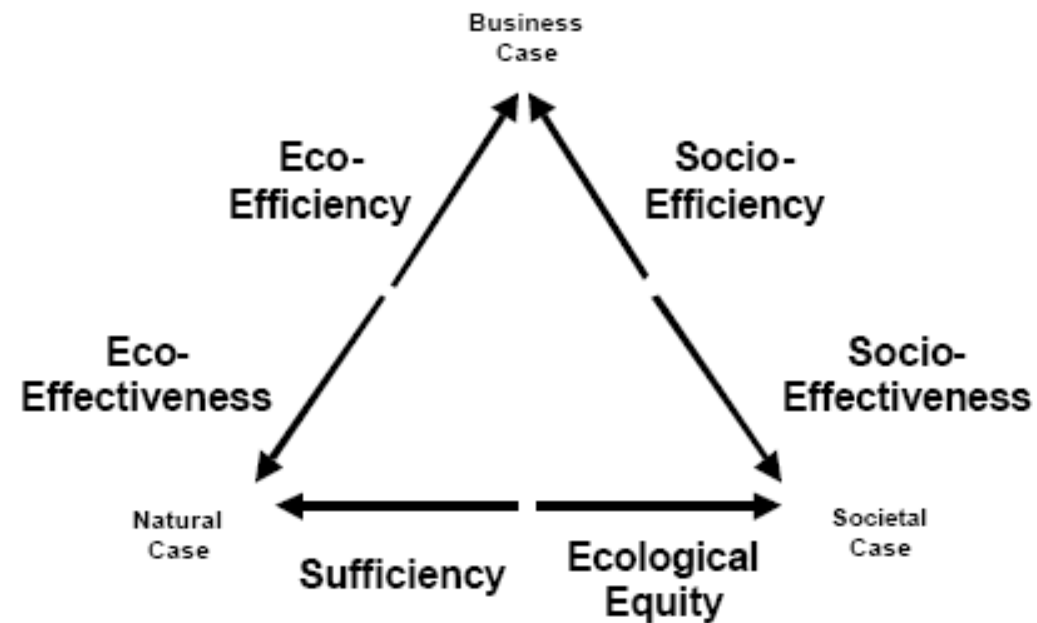


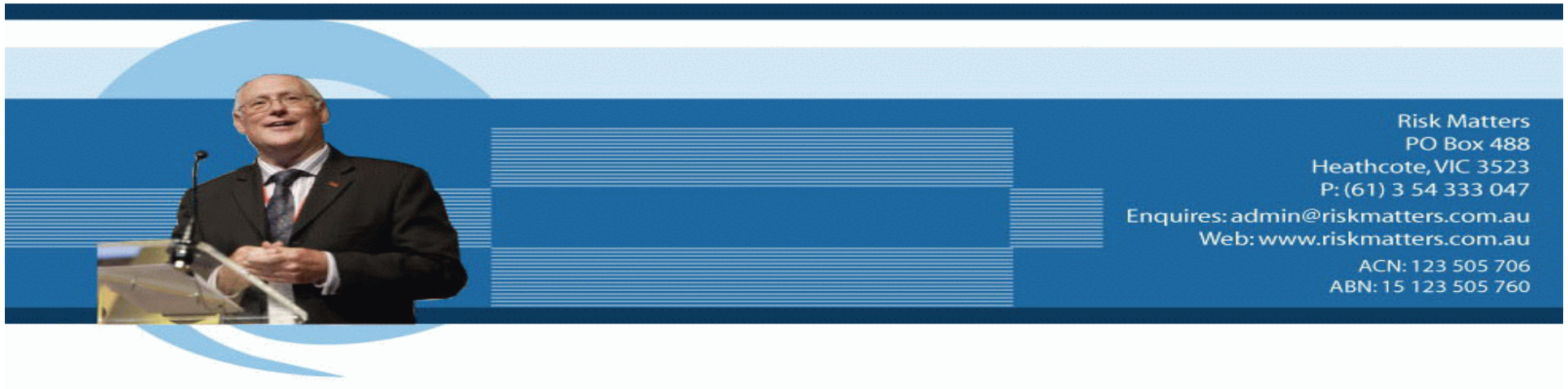


Dyllick and Hockerts have developed six criteria required for organisational sustainability. The advantage of the criteria is that they propose an organisational model for looking at sustainability, however the terminology is confusing, and does not concentrate on the sustainability risks that need to be managed.



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I would like to propose a model that allows risk managers in organisations to start the process of analysing the sustainability risks faced by their organisations that builds on these two models.

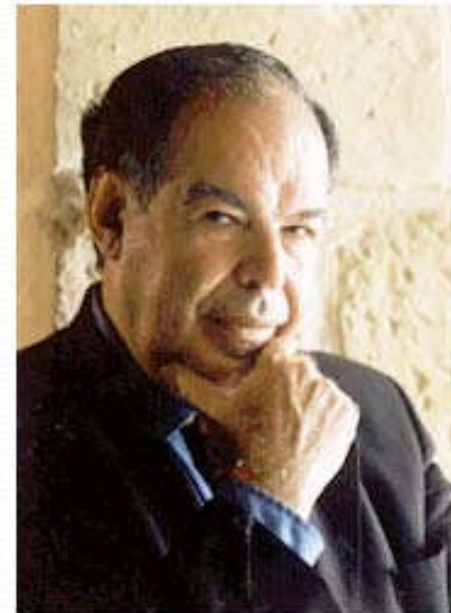


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But as a model we need to be aware of its strengths and limitations:

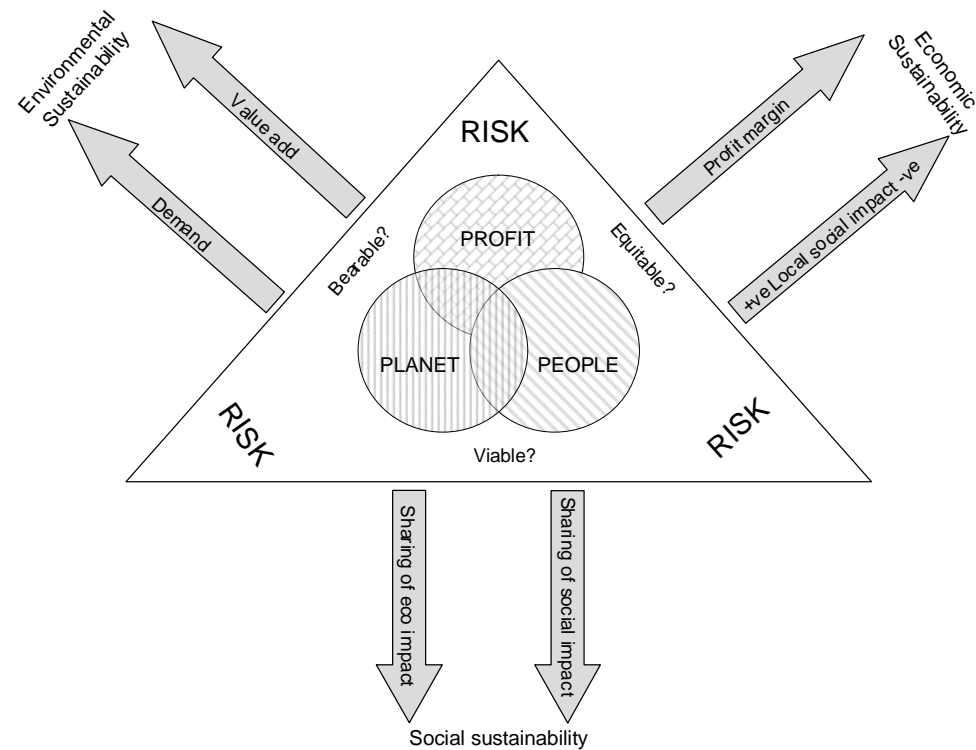
“The purpose of science is not to analyze or describe but to make useful models of the world. A model is useful if it allows us to get something out of it”

Edward de Bono



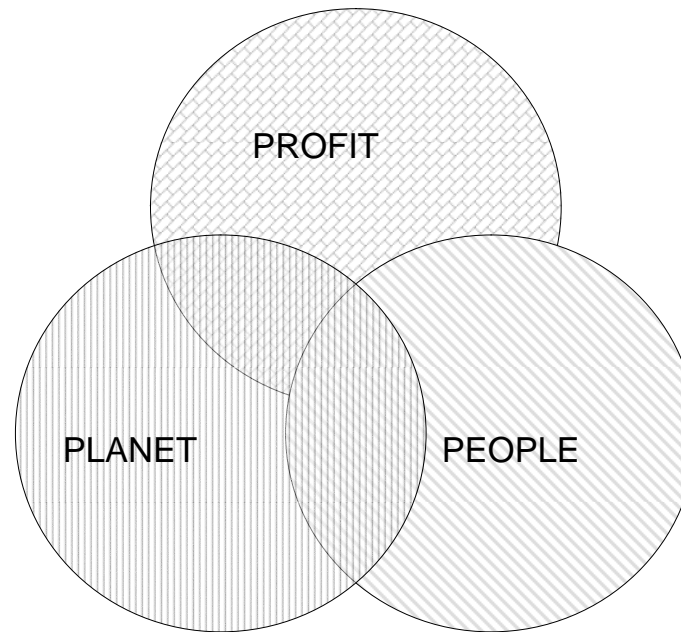


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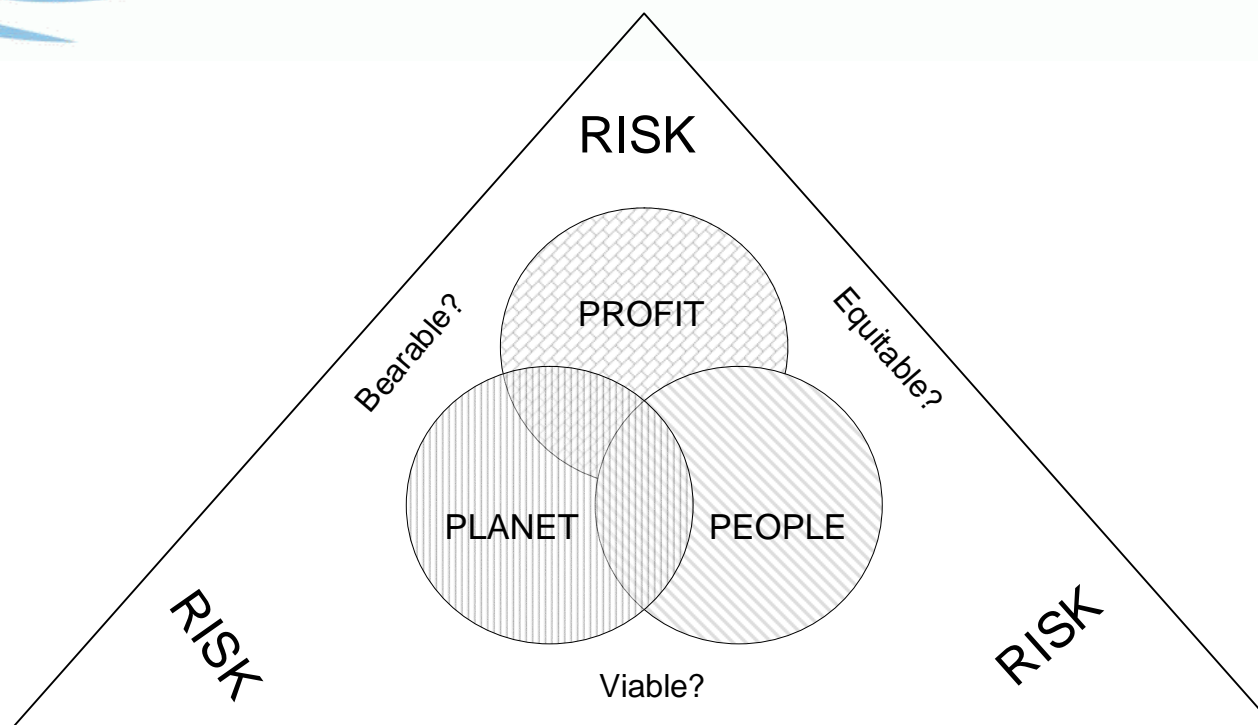


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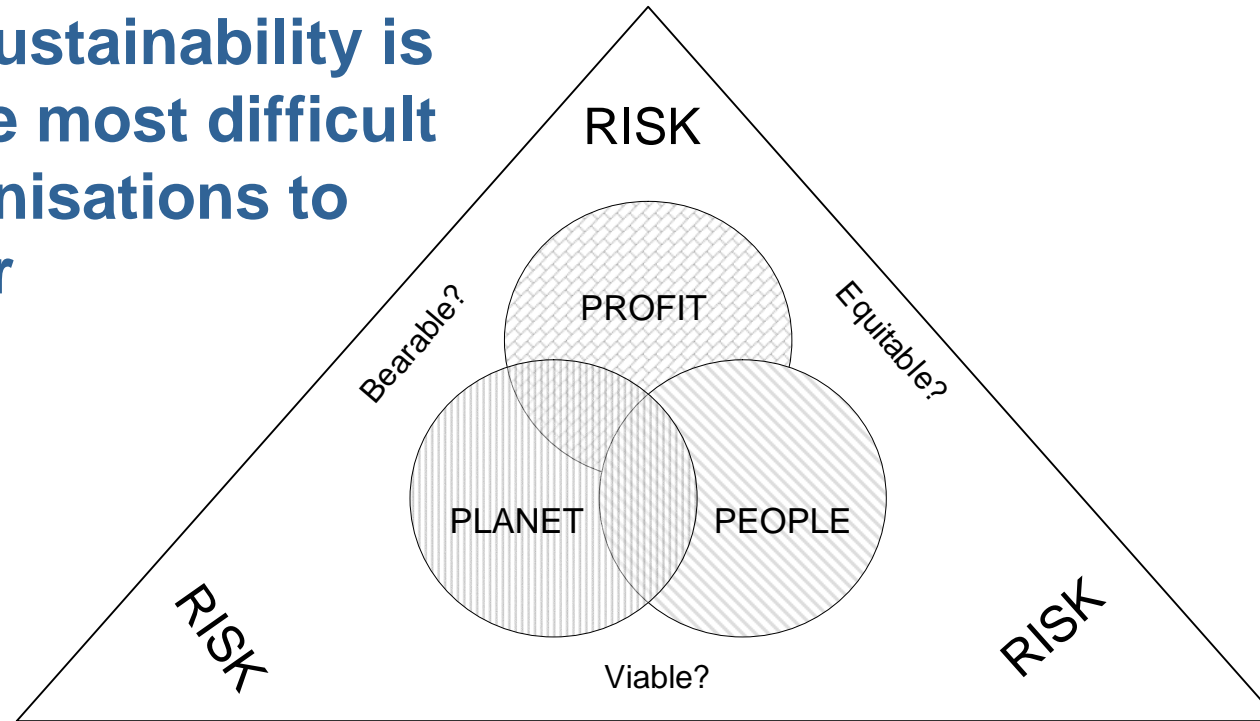




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Social sustainability is often the most difficult for organisations to consider



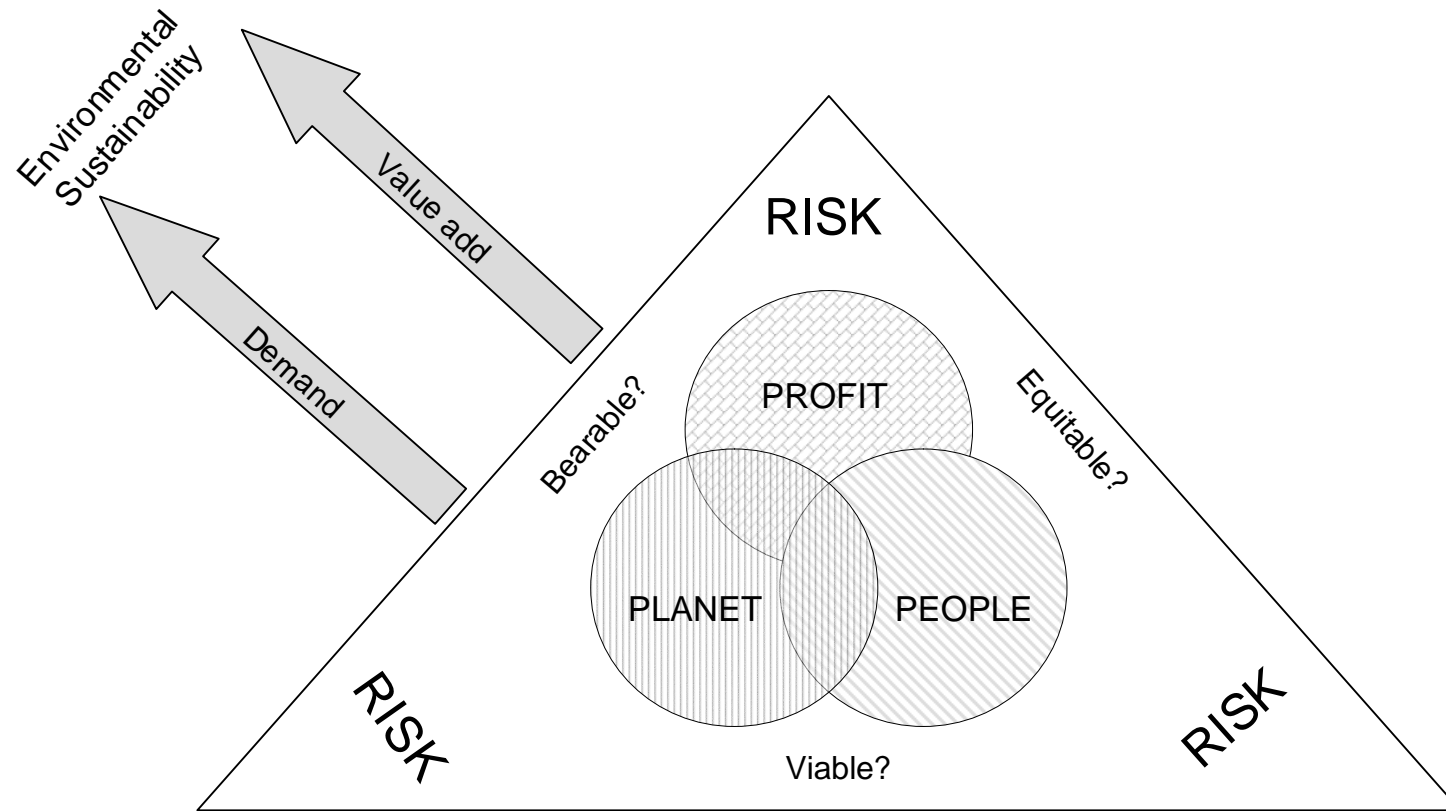
Need to consider:

- the +ve and –ve eco impacts
- benefit few at the expense of the majority

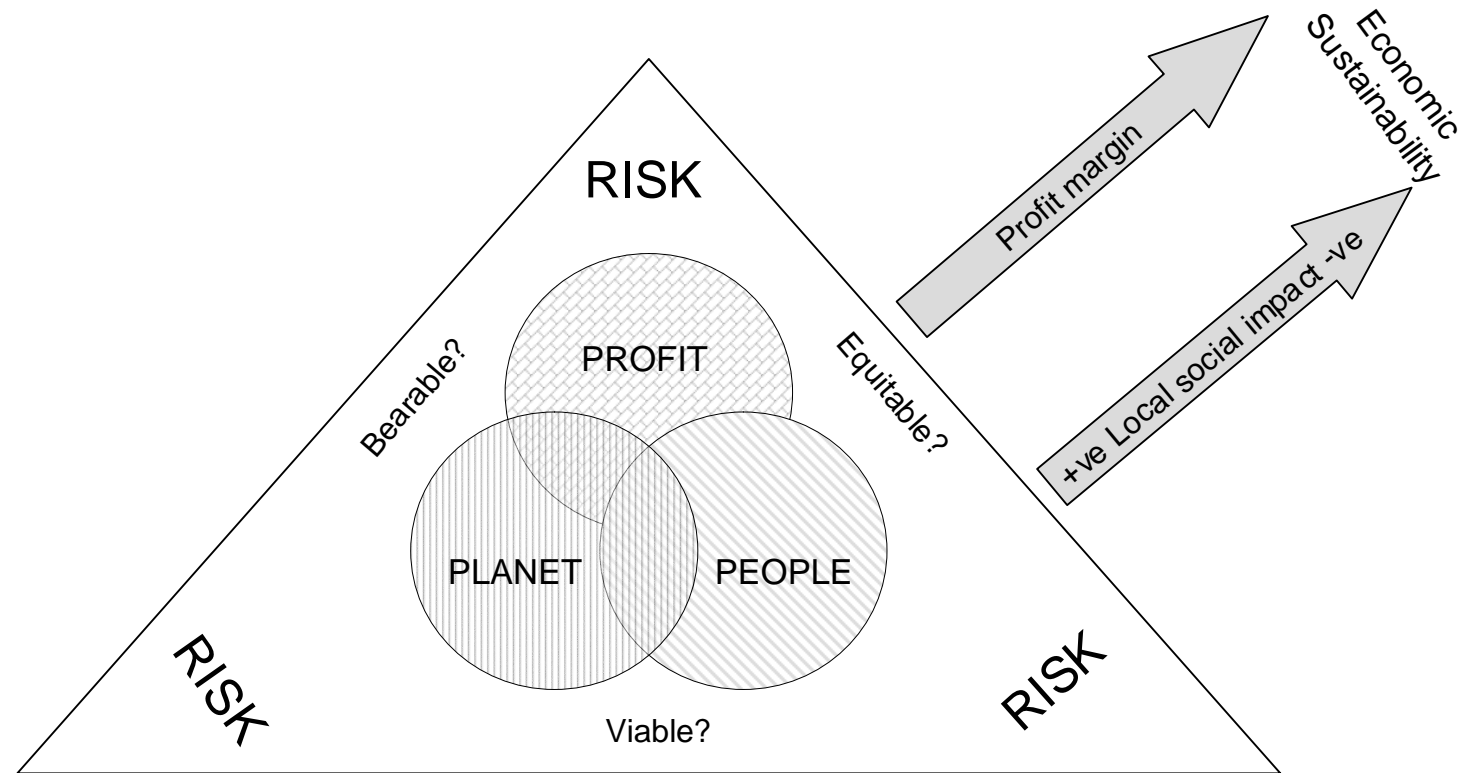
Sharing of +ve and –ve social impacts e.g.

- Greenhouse gas targets
- Often only consumer societies of the developed world that can access the benefits

Social sustainability



- **Demand and the ability to value add are key factors.**
- **Demand includes the availability of resources, product demand, and demand creation.**
- **Value add can create a greater demand for resources and therefore place pressure on environmental sustainability**

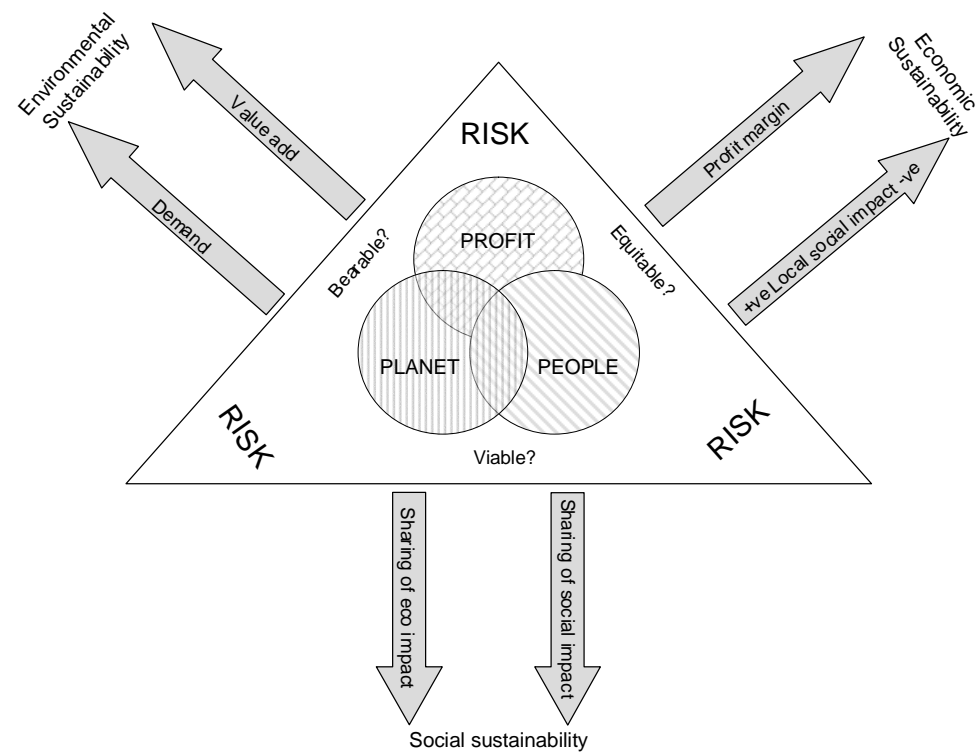


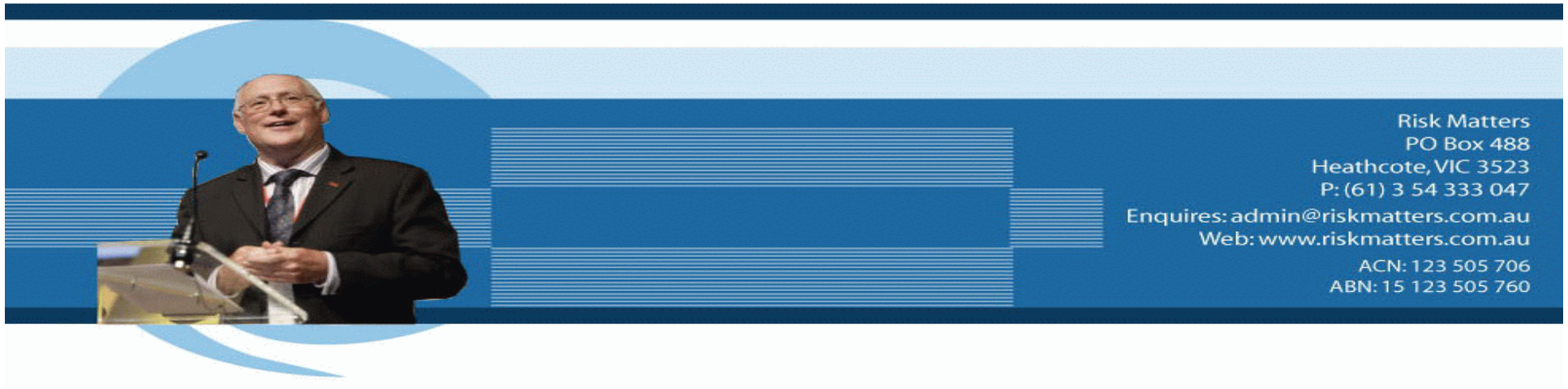
+ve = local employment and impact on local economy

-ve poor safety and employment practices such as EEO



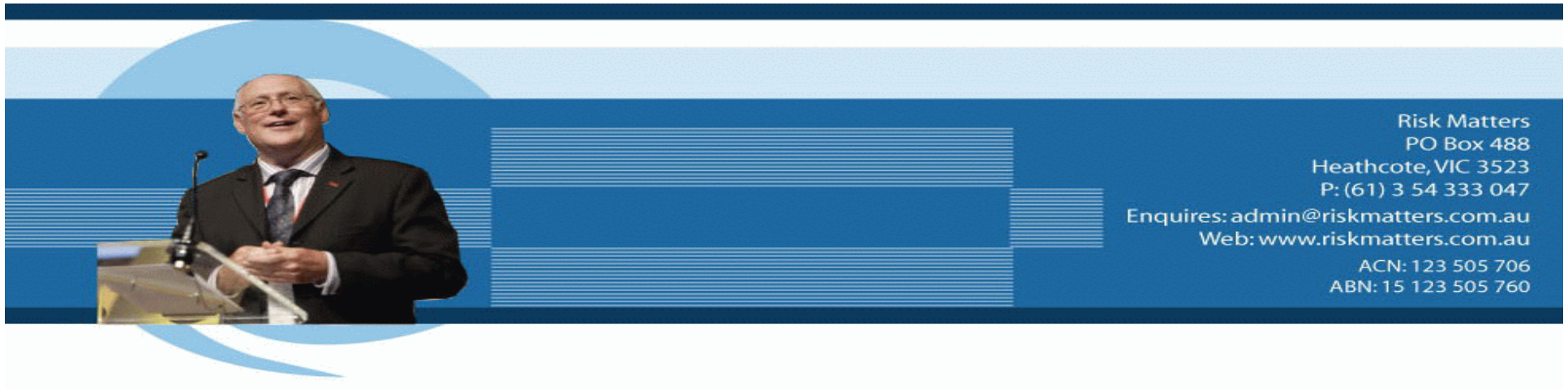
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Sharing of the social impact

	People	Planet	Profit
Equitable?			
Bearable?			
Viable?			



The above model helps you to collect qualitative data in a total of 54 different areas and is a useful tool from which to commence your analysis.

And remember.....



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Any Questions Fire away!!