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SAUDI SUSTAINABILITY TALKS

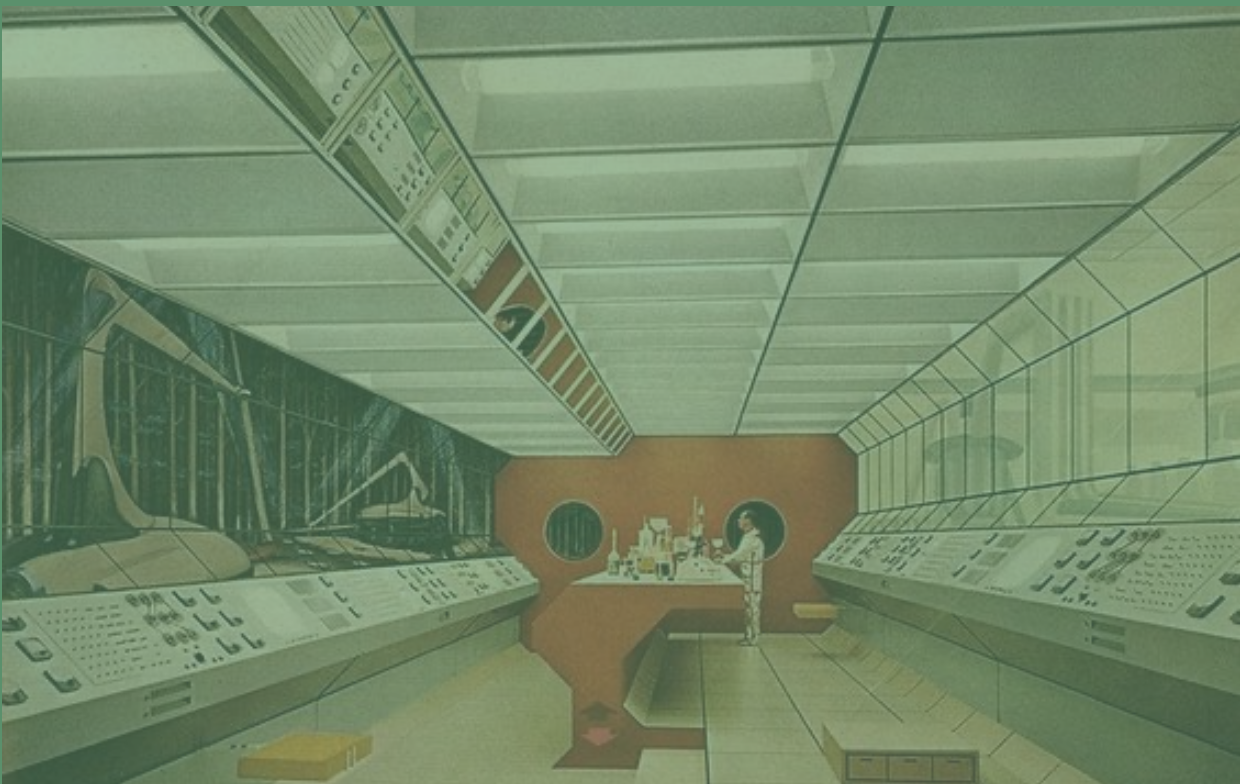
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# LOOKING TO THE FUTURE: SUSTAINABILITY, BUSINESS AND HEALTH

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THOUGHT PAPER: A CULTURE OF  
HEALTH



ARMSTRONG CEILING SYSTEMS AD,  
1966

**Sustainability is a goal for today and sustainable development an organizing principle that recognizes the interconnections between complex natural and social systems. In a post Covid-19 world, businesses that take the health of people and the natural world as core strategic business agendas are poised to pivot more powerfully from the pandemic and emerge more strongly into the new normal. The opportunity for corporations to lead on the UN sustainable development goals has never been stronger as sustainability becomes leadership imperative for business.**

The Sustainable Development Goals (SDGs) agreed in 2015 by 193-member countries of the United Nations comprise 17 goals and 169 targets, captured in the report 'Transforming our World: the 2030 Agenda for Sustainable Development'. A guide for global action on people, planet, prosperity, peace, and partnership, the SDGs represent a world strategy to promote and improve the health and well-being of the global population in a concerted, coordinated and accelerated manner. A blueprint to achieve a more sustainable future for all, the SDGs seek to address global challenges, including poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The goals call out for dynamic creativity and radical collaboration and demand multi-sector engagement with academic institutions, businesses, international and local organizations across private, public and civic society.

Climate change is an existential crisis, where anthropogenic global warming is changing our environment, causing sea-level rises, heatwaves, droughts, invasive species migration and wildfires. With 7 million people dying each year from diseases related to air pollution, these numbers are rising as extreme weather events caused by climate change lead to worsening chronic illnesses, increased infectious diseases spread by insects and decreased access to clean water and nutritious food. Air pollution has grown worse, with the Global Burden of Disease attributing over 3.5 million deaths annually to bad air. The distribution of climate change impacts are unequal. With the IPCC calling for a 45% cut in global emissions to have a chance of meeting the 1.5°C target, and just 11-years to go, it has been said that "winning slowly is the same as losing".

Furthermore, urbanization is exacerbating strains on our natural systems. 55% of the world's population live in cities today; this number is forecast to increase to 68% by 2050 with the 100-M-person city already predicted. The United Nations projects the world's population will grow by nearly three billion - equivalent to adding another China and India- in the next 30-years, with 80-90% of people living in cities. Some suggest urbanization reduces humanity's environmental impact, while others fear cities will become ungovernable with conflict arising because of resource scarcity and ill health. The United Nations population forecasts show that countries experiencing the world's most rapid population growth over the coming decades will also be on the front line of climate change, with the Climate Vulnerability Index showing nine out of the 10 most vulnerable countries are in sub-Saharan Africa.

The euphoria of the Paris Agreement has given way to a sober reality that the nations of the world are falling short on their pledged reductions in greenhouse gases. When measurements of background concentration of CO<sub>2</sub> began at the remote NOAA observatory on Mona Loa, Big Island, Hawaii in 1958 levels were about 250 ppm, in May 2020, they were 417.16 ppm. All sensible people agree that climate change is real and that the consequences of not acting will be devastating. Carbon justice is social justice. When Greta Thunberg spoke in the fall of 2018, then a 15-year old Swedish schoolchild, she called for people to "...act like the house is on fire".

There is a business case to make for climate action and targets that are more ambitious. Business is an engine for change and delivery of the SDGs will not happen without business being a key part of the solutions. Society is increasingly looking to businesses to embrace a wider sphere of responsibilities beyond the limits of their own operations and be proactive in developing solutions to tackle social and environmental challenges. Moving beyond Corporate Social Responsibility (CSR) and environmental, social and governance (ESG) measures, sustainability places the social compact of business as core to its purpose. Navigating the tensions and

opportunities of 'sustainable growth', businesses are moving towards sustainability as the 'new normal'. Re-inventing the business model for the future will require us to price in impact on people and planet and focus more on value creation across multiple stakeholder domains.

Leaders in the era of the SDGs need to be able to read the planet as well as the balance sheet, given their operational domain is largely outside the organization rather than within it. Now in the Fourth Industrial Revolution, characterized by unprecedented changes driven by new technologies and changing consumer behaviors, 21st leaders are prized for their ability to lead in situations characterized by so-called VUCA (volatility, uncertainty, complexity, ambiguity) conditions. Leadership in delivery of the SDGs requires a paradigm shift, with leaders focused on building relational and trust capital as well as stakeholder engagement in a world where AI and machine learning challenge the very notion of an organization. Partnerships among organizations in the public-private-plural sectors will reflect hybrid value chains and networked organization that convene around shared purpose and value creation.

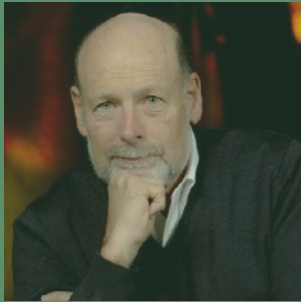
In the 2016 book co-authored by Harvard professor Richard Quelch, "**A CULTURE OF HEALTH**", Quelch argues that "Every company, knowingly or unknowingly, impacts public health..." and that "A company that incorporates a culture of health in its mission and daily decision-making will not only seek to make its net impact on public health as positive as possible, but will also create business opportunities for itself in doing so."

He connects health and business across **four domains** that frame the culture of health where business can have a positive public health footprint:

- **Consumers:** through the products and services business delivers to consumers;
- **Employees:** including supply chain: how business treats its employees and supply chain workers;
- **Community:** how much business invests in the health of its communities;
- **Environment:** the impacts of business on the environment.

Most Environmental, Social and Governance (ESG) frameworks focus primarily on metrics related to the environment, with the health element limited primarily to scorecards about employee health; by adding Consumer and Community as equally important 'pillars' in effect widens the lens of how businesses can envision more sustainable business practices. By focusing the notion of sustainability to enhance well-being, ensure inclusivity, reduce emissions, slow biodiversity loss, deploy and promote circular supply chains, and to increase resiliency, business has the opportunity to re-imagine itself as a driver of positive force for economies and societies. In the context of a post COVID world, trade-offs of a recovery process need to accommodate the impact on people, planet and prosperity, balancing economic interests against preserving the quality of life for people and planet.

## ABOUT THE AUTHORS



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Dr. Spengler is the Akira Yamaguchi Professor of Environmental Health and Human Habitation at Harvard T. H. Chan School of Public Health and a faculty member in the Harvard Department of Environmental Science and Public Policy. Dr. Spengler earned a Bachelor of Science degree in physics, University of Notre Dame, a Master of Science in environmental health sciences, Harvard University, Master of Science from the Harvard School of Public Health, and PhD in Atmospheric Sciences, University at Albany, SUNY. He chaired the committee on Harvard Sustainability Principles, served on Harvard's Greenhouse Gases Taskforce to develop the university's carbon reduction goals and strategies. He has been an advisor to the World Health Organization on indoor air pollution, personal exposure, and air pollution epidemiology. In 2003, Spengler received the 9th Annual Heinz Award for outstanding contributions to research related to the environment.



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