



SPRINGER NATURE
Sustainable Development Goals Series

Connecting the Goals



Developing Sustainability in Organizations

A Values-Based Approach

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Chapter 2: Values & Principles for Sustainability Leadership

Abstract Ch. 2

This chapter reviews the foundational importance of values and principles for sustainability leadership. It explores various initiatives and documents like the Earth Charter, the UNGC Principles and the 2030 Agenda to understand the role of values in sustainability and leadership practices. It connects universal values with professional applications and personal values-based priorities for people, planet, prosperity, peace, and partnership. It looks at studies that consider how values and principles are essential for sustainability leadership, providing a framework for decision-making, promoting responsible behavior, fostering innovation, and building trust and credibility. By prioritizing ethical values and principles, sustainability leaders can help to create a more sustainable future for their organization and for society as a whole.

Keywords Ch. 2

Sustainability values; Sustainability principles; Shared values; Earth charter; 2030 Agenda

“Making values a bedrock of your culture is far wiser and more sustainable than applying them selectively or intermittently, or scrambling to put them in place in reaction to a crisis. All of this might sound like a minefield, but I firmly believe that in the future, equality will be the key to unlocking a company’s full and sustainable value. That doesn’t mean it’s easy to achieve. But those who fail to try will be on the wrong side of history.”

- Marc R. Benioff, CEO of Salesforce, in *Trailblazer*

Foundational Role of Values & Principles

Value and principles play a crucial role in business ethics and even more in sustainability leadership. They help to establish ethical standards that guide business conduct. They encourage responsible behavior and produce shared values as businesses and consumers increasingly recognize the importance of creating a more sustainable future for the planet (Lowitt 2011). Sustainability creates value through competitive differentiation by providing businesses with a unique selling proposition, reducing costs, and increasing efficiency, and building brand reputation and customer loyalty. As such, businesses that embrace sustainability will be well-positioned to thrive in the future of value. Sustainability values promote social responsibility through ethical principles such as community engagement and social justice. They help to build trust with their stakeholders. The following are some additional ways that values and principles are important in sustainability leadership:

1. **Setting the tone for ethical behavior:** Sustainability leaders must model ethical behavior and set the tone for a culture of sustainability within the organization. Values such as integrity, transparency, and accountability can help to create a culture of ethical behavior that supports sustainability.
2. **Providing a framework for decision-making:** Values and principles can provide a framework for decision-making that considers the long-term impacts of actions on economic, social, and environmental sustainability. This can help to prioritize sustainability in decision-making and ensure that decisions are consistent with the organization's mission and values.
3. **Encouraging responsible behavior:** Values and principles can encourage responsible behavior that is consistent with sustainability goals. Leaders can use values such as responsibility, respect, and stewardship to encourage employees to act in ways that protect the environment, promote social well-being, and create economic value that is sustainable.
4. **Promoting innovation:** Sustainability leadership requires creativity and innovation to develop new solutions that balance economic, social, and environmental considerations. Values such as collaboration, creativity, and innovation can help to promote new ideas and solutions that support sustainability goals.
5. **Fostering trust and credibility:** Values and principles can help to foster trust and credibility with stakeholders. Sustainability leaders who prioritize values such as transparency, accountability, and stakeholder engagement can build trust with employees, customers, suppliers, and the wider community, which can support long-term success.

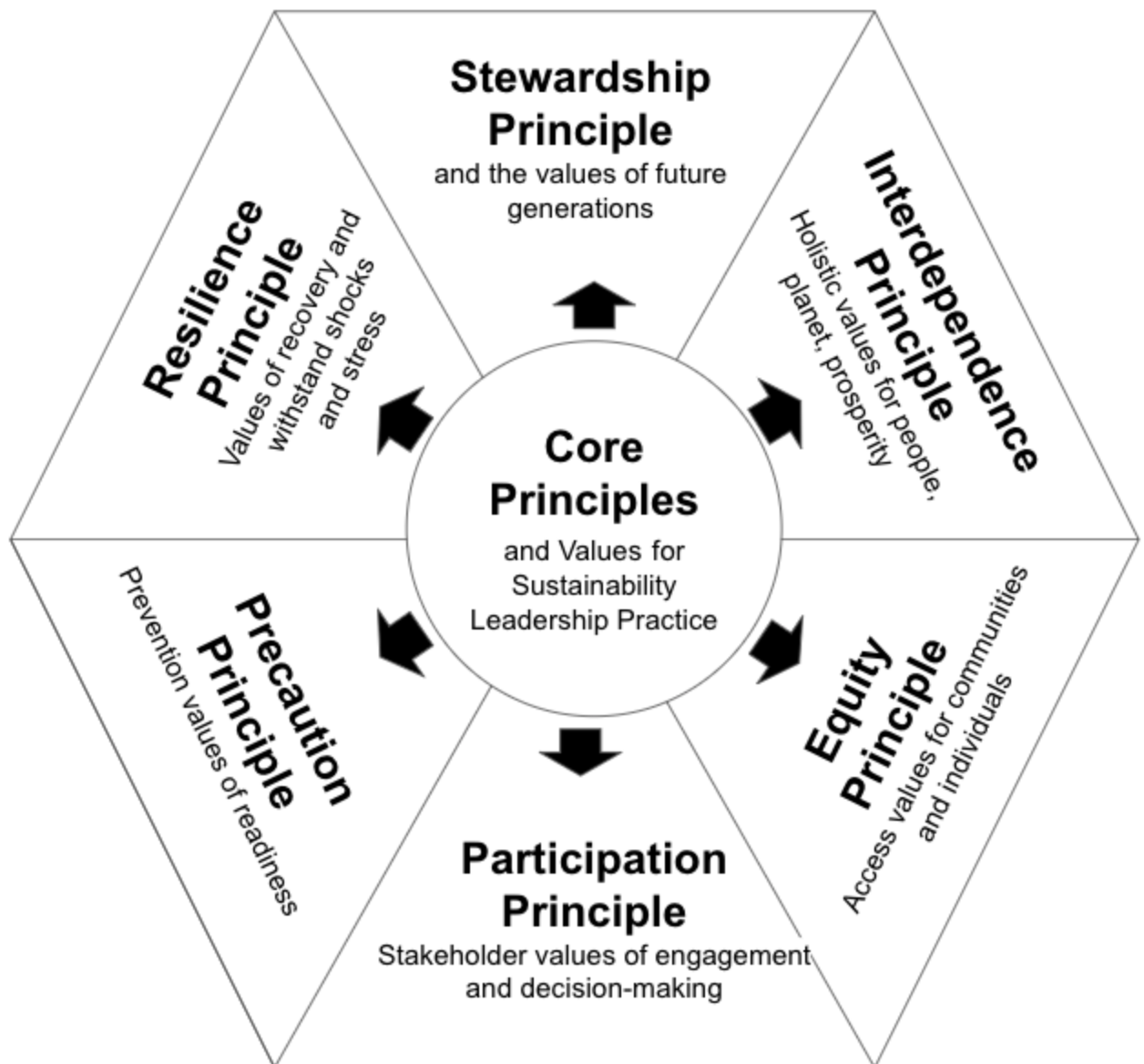


Fig. 2.1: Core Principles and Values in Sustainability Practices

Sustainability values and principles are critical for developing mindsets and impactful practices (Rimanoczy 2021). Sustainability itself is a value that emerges from a set of principles that emphasize the importance of balancing economic, social, and environmental considerations in order to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. In general, sustainability includes core values and principles such as:

1. **Stewardship:** The principle of stewardship emphasizes the responsibility that individuals and organizations manage resources in a way that ensures their sustainability for future generations.
2. **Interdependence:** The principle of interdependence emphasizes the interconnectedness of social, economic, and environmental systems, and the need to take a holistic approach to sustainability.
3. **Equity:** The principle of equity emphasizes the importance of ensuring that all individuals and communities have access to the resources and opportunities necessary to achieve a sustainable and prosperous life.
4. **Participation:** The principle of participation emphasizes the importance of involving all stakeholders, including individuals, communities, and organizations, in decision-making processes related to sustainability.
5. **Precaution:** The principle of precaution emphasizes the need to take action to prevent harm to the environment and human health, even in the absence of full scientific certainty.
6. **Resilience:** The principle of resilience emphasizes the importance of building resilience into social, economic, and environmental systems in order to withstand and recover from shocks and stresses.

The role of these core values and principles is to provide a framework for action that ensures the sustainability of our natural resources and social systems. By adopting a sustainability perspective, individuals and organizations can make decisions that balance economic, social, and environmental considerations and contribute to a more sustainable and prosperous future for all.

Values and principles are often used interchangeably but they actually have correlated but different roles. Values refer to the beliefs and attitudes that guide an individual's actions and decisions. They are the fundamental beliefs that underpin a person's behavior, and they often reflect their personal and cultural backgrounds. They are at the core identity of a leader and an organization. They are difficult to change, and they can shape a person's worldview and approach to sustainability leadership. For example, someone who values community and social equity might prioritize these values in their sustainability initiatives, while someone who values economic growth might prioritize initiatives that promote economic development. Principles, on the other hand, are a set of fundamental rules or guidelines that guide the behavior of individuals, organizations, and institutions. They are the fundamental guidelines that shape an organization's behavior and decision-making. They are the rules or standards that are considered to be universally applicable

and serve as the foundation for ethical conduct in a company. In sustainability leadership, principles can include things like the precautionary principle, the principle of intergenerational equity, and the principle of the polluter pays. These principles help guide leaders in making decisions and taking action in a way that is consistent with sustainability principles.

Values and principles are interconnected in business ethics because an organization's values influence the principles it adopts, and the principles it adopts reflect its values. For example, if an organization values integrity, it will likely adopt a principle of honesty and transparency in its dealings with customers, suppliers, and other stakeholders. If an organization values social responsibility, it may adopt a principle of sustainability and work to minimize its impact on the environment. In business ethics, values and principles are related because an organization's values shape the principles it adopts, and the principles it adopts reflect its values. Both principles and values are essential for establishing ethical conduct in a company. In sustainability leadership, values are the underlying beliefs that guide a person's behavior, while principles are the specific rules and guidelines that help leaders make decisions and take action in a sustainable way. Both are important for sustainability leadership, as they help guide leaders in making decisions that are consistent with their values and that promote a more sustainable future.

Several studies have attempted to identify the values that characterize sustainability leaders. While there is some variation in the specific values that are identified, there are some commonalities that emerge. A study conducted by Bansal and Roth (2000) identifies four core values that are associated with sustainable business leaders: environmental stewardship, social responsibility, employee empowerment, and customer satisfaction. Environmental stewardship refers to the commitment to protecting the natural environment, while social responsibility refers to the commitment to broader social and economic issues. Employee empowerment refers to the belief in the value of employees and the importance of treating them fairly and respectfully, while customer satisfaction refers to the focus on meeting the needs and expectations of customers in a sustainable way. Henriksson and Grunewald (2020) in their edited volume *Sustainability Leadership: A Swedish Approach to Transforming Your Company, Your Industry and the World* highlight a set of core values that are associated with sustainability leadership. These values include responsibility, long-term thinking, collaboration, innovation, transparency, human rights, diversity, and inclusiveness. These values reflect a holistic and systemic approach to sustainability leadership, emphasizing the importance of collaboration, innovation, and long-term thinking, as well as a strong commitment to responsibility and transparency. The authors argue that these values are essential for companies and organizations that wish to succeed in the long term, and to contribute to a more sustainable economy. These findings are consistent with the values that are commonly associated with sustainability leadership.

Other studies have identified additional values that are associated with sustainability leadership, such as ethical behavior, transparency, and adaptability. The values identified in these studies

suggest that sustainability leaders are characterized by a deep commitment to environmental and social issues, a willingness to collaborate and innovate, and a strong sense of responsibility and stewardship. The values associated with sustainability leadership are:

1. **Integrity:** Sustainability leaders are committed to ethical and transparent behavior and to being accountable for their actions and decisions.
2. **Responsiveness:** Sustainability leaders are responsive to the needs and concerns of stakeholders and are committed to engaging in active and open communication.
3. **Innovation:** Sustainability leaders are committed to exploring new and innovative solutions to sustainability challenges and to continuously improving their performance.
4. **Collaboration:** Sustainability leaders recognize that sustainability challenges are complex and often require collaboration across sectors and disciplines, and are committed to working with others to find solutions.
5. **Long-term thinking:** Sustainability leaders understand the importance of considering the long-term implications of their actions and decisions, and are committed to creating sustainable systems and practices that will benefit future generations.
6. **Inclusivity:** Sustainability leaders understand that sustainability is not only about the environment, but also about the well-being of people and communities, and that it is important to consider the needs and perspectives of all stakeholders, especially the most marginalized.
7. **Adaptability:** Sustainability leaders understand that the sustainability challenges are complex, ever-evolving and are committed to continuously learning and adapting their approach.
8. **Systems thinking:** Sustainability leaders understand the interconnectedness of environmental, social, and economic systems, and are committed to taking a holistic and systems-based approach to sustainability.

Sustainability as Value Creation

Sustainable value creation (SVC) is the practice of generating long-term economic, environmental, and social benefits for all stakeholders, including shareholders, employees, customers, communities, and the environment. It involves generating long-term value for stakeholders, including shareholders, employees, customers, suppliers, and the wider community, while minimizing negative environmental impacts and promoting social well-being. SVC creates long-term value across both the risks and opportunities associated with economic, environmental, and social developments. There are several studies of well-known scholars who have argued in favor of creating sustainability values and their shared benefits for the organization and society at large.

Michael Porter, a leading management scholar, has written extensively on the topic of sustainable value creation. In their Harvard Business Review Article *Creating Shared Value*, Michael Porter,

and Mark Kramer (2011) argued that companies can move beyond traditional corporate social responsibility (CSR) and gain competitive advantage by creating shared value (CSV). According to Porter and Kramer, CSV involves creating economic value in a way that also creates value for society and addresses societal challenges. Companies that embrace CSV create a virtuous cycle of mutually reinforcing economic and social benefits, rather than just seeking to mitigate social and environmental harms, or simply engaging in philanthropy. Porter and Kramer argue that there are three keyways that companies can create shared value:

1. **Reconceiving products and markets:** Companies can create shared value by innovating products and services that address societal needs and challenges. For example, Nestle created shared value by developing a nutritious, affordable product called "Milo" that helps address malnutrition in developing countries.
2. **Redefining productivity in the value chain:** Companies can create shared value by improving the efficiency and sustainability of their operations and supply chains. For example, Walmart created shared value by implementing a sustainable seafood sourcing program that not only reduced its environmental impact but also provided economic benefits to fishermen and improved food security for local communities.
3. **Enabling local cluster development:** Companies can create shared value by investing in the social and economic development of the communities in which they operate. For example, Intel created shared value by investing in education and infrastructure development in Costa Rica, which helped create a more skilled workforce and a more robust local economy.

Overall, Porter and Kramer argue that companies who embrace CSV can create a competitive advantage by improving their reputation, reducing risks, accessing new markets, improving efficiency, and attracting and retaining talent. By creating shared value, companies can contribute to the economic, social, and environmental well-being of society while also creating long-term value for their shareholders. In relation to sustainability, the CSV model relates to three dimensions of sustainable value creation, which are:

1. **Economic Dimension:** According to Porter, sustainable value creation begins with creating economic value. This involves generating profits and creating economic growth while also addressing social and environmental challenges. Companies can achieve economic sustainability by pursuing efficiency in their operations, innovating new products and services, and creating shared value for their stakeholders.
2. **Social Dimension:** The social dimension of sustainable value creation involves addressing social challenges such as poverty, inequality, and social exclusion. Companies can achieve

social sustainability by investing in their employees, creating safe and healthy workplaces, supporting local communities, and engaging in philanthropic activities.

3. **Environmental Dimension:** The environmental dimension of sustainable value creation involves minimizing negative impacts on the natural environment and promoting sustainable practices. Companies can achieve environmental sustainability by reducing their carbon footprint, conserving natural resources, and promoting sustainable production and consumption practices.

Other scholars have similarly argued on the benefits of value creation in sustainability. John Elkington (2001), for example, has been a pioneer in framing sustainability values. In his book, *The Chrysalis Economy: How Citizen CEOs and Corporations Can Fuse Values and Value Creation* he presents a vision for a more sustainable and equitable future, based on seven key arguments. First, Elkington argues that the current economic model is unsustainable, with growing inequalities, environmental degradation, and social unrest. He proposes a new economic model based on sustainable value creation. Second, Elkington sees sustainability innovation as a key driver of economic growth and transformation, with the potential to create new markets and business opportunities. Third, Elkington emphasizes the need for systems thinking to address complex sustainability challenges, and the need to consider the interconnectedness of social, environmental, and economic systems. Fourth, Elkington argues that businesses have a critical role to play in sustainable development, and that they must shift from a focus on short-term profits to a longer-term view that incorporates social and environmental impacts. Fifth, Elkington argues that traditional measures of economic growth, such as GDP, are inadequate to capture the true value of sustainable development. He proposes new metrics that incorporate social, environmental, and economic factors. Sixth, Elkington emphasizes the need for collaboration and partnership among stakeholders, including businesses, governments, NGOs, and communities, to achieve sustainable development goals. Seventh, Elkington sees the potential for a new social contract that values sustainability, equity, and well-being, which can then help build more resilient and inclusive societies. Elkington also introduces the seven levels of sustainable value creation:

1. **Financial Value:** This level refers to creating economic value through sustainable business practices that generate revenue and profits.
2. **Social Value:** This level involves creating positive social impacts through sustainable business practices that benefit communities, employees, and other stakeholders.
3. **Environmental Value:** This level focuses on reducing the negative impacts of business activities on the environment, such as reducing waste and greenhouse gas emissions.

4. **Material Value:** This level involves creating value by conserving natural resources and minimizing the use of non-renewable resources.
5. **Intellectual Value:** This level involves creating value through innovation, research, and development of new products and technologies.
6. **Cultural Value:** This level involves creating value by preserving and promoting cultural heritage and diversity.
7. **Spiritual Value:** This level involves creating value by promoting values such as compassion, empathy, and mindfulness, which can help build more sustainable and equitable societies.

Chris Laszlo and Nadya Zhexembayeva (2011) in their book, *Embedded Sustainability: The Next Big Competitive Advantage*, make a convincing argument that companies can better leverage global challenges by integrating all these seven levels of sustainability value creation which include:

1. **Individual level:** Supporting the personal growth and development of employees and stakeholders.
2. **Functional level:** Optimizing business processes and systems to minimize waste and environmental impact.
3. **Product level:** Creating sustainable products that meet customer needs and promote sustainability.
4. **Customer level:** Engaging with customers to create sustainable value and build brand loyalty.
5. **Societal level:** Contributing to the well-being of society and addressing social and environmental issues.
6. **Global level:** Addressing global sustainability challenges through collaborations and partnerships.
7. **Planetary level:** Creating solutions that address the long-term sustainability of the planet.

They argue that by embedding sustainability into a company's operations at each of these seven levels, companies can achieve competitive advantage by mitigating risks, achieving higher operational efficiency, differentiating products, entering or creating new markets, protecting and enhancing brand identity, reshaping market rules, and regulatory contexts. The book emphasizes the importance of radical innovation, which involves creating new business models, products, and services that are based on sustainable principles and practices. In other words, embedding sustainability into a company's core business strategy and operations can create a competitive advantage by addressing sustainability challenges, mitigating risks, and creating opportunities for

innovation and growth. The seven levels of value creation provide a framework for companies to achieve this goal.

Stuart Hart, an internationally known scholar on the implications of the environment and poverty for business strategy, developed a *Sustainable Value Framework* for linking societal challenges of global sustainability to the creation of shareholder value by the firm (Hart & Milstein, 2003). The framework identifies opportunities for businesses to create value by addressing environmental and social challenges. His framework reflects four core dimensions of sustainability strategy linked to corporate performance and value creation:

1. **Pollution Prevention** - minimizing waste and emissions from current facilities and operations).
2. **Product Stewardship** - engaging stakeholders and managing the full life cycle of today's products.
3. **Clean Technology** - developing and deploying "next-generation" clean technologies.
4. **Base of the Pyramid** - co-creating new businesses to serve the unmet needs of the poor and underserved.

He also makes a call for a sustainable value proposition, which is the way a company creates value by addressing sustainability challenges. The sustainable value proposition can take many forms, including eco-efficiency, eco-effectiveness, and social innovation. By creating a sustainable value proposition, companies can differentiate themselves from their competitors, build brand value, and create new markets. By integrating these elements, the Sustainable Value Framework provides a comprehensive approach for businesses to create value while also addressing sustainability challenges. The framework recognizes that economic, social, and environmental sustainability are all interdependent, and that businesses can create value by addressing all three spheres of sustainability throughout the value chain. The sustainable value proposition provides a way for businesses to differentiate themselves and create new markets by addressing sustainability challenges. Ultimately, the Sustainable Value Framework provides a roadmap for businesses to create both shareholder and societal value.

Mariana Mazzucato's book *The Value of Everything* (2018) explores the role of value creation in modern economies and argues that current measures of economic value do not fully capture the contribution of public goods, social value, and environmental sustainability. From this perspective, there are several sustainable value implications that emerge from her arguments, including:

1. **The need to measure and reward social value creation:** Mazzucato argues that traditional economic measures, such as GDP, do not fully capture the value created by public goods and social investments. To address this, she suggests that we need new

measures of value that take into account the contribution of social value, such as investments in education, healthcare, and social welfare.

2. **The importance of public-private partnerships:** Mazzucato argues that public investments in research and development have been crucial to driving technological innovation and economic growth. This highlights the importance of public-private partnerships in driving sustainable innovation that benefits both the economy and society.
3. **The need for responsible innovation:** Mazzucato argues that innovation should be directed towards solving societal challenges and creating sustainable value, rather than solely focusing on commercial gain. This requires a shift in business practices towards responsible innovation that prioritizes social and environmental sustainability.
4. **The role of the state in promoting sustainable value creation:** Mazzucato argues that the state has a critical role to play in promoting sustainable value creation through investments in research and development, social welfare, and infrastructure. This highlights the importance of public policies that promote sustainability, such as subsidies for renewable energy and regulations that incentivize sustainable practices.

Overall, Mazzucato's arguments emphasize the need to broaden our understanding of value creation to include social and environmental sustainability. This requires a shift in the way we measure and reward economic activity, as well as a more collaborative approach to innovation that focuses on solving societal challenges and creating sustainable value.

In the following sections, we want to explore in more detail the contributions that some international initiatives have given to the understanding and practices of sustainability leadership. These contributions have enriched our understanding of a principled approach to sustainability leadership. As illustrated and summarized in Figure 2.1, they represent a values-based perspective for the practice of sustainability leadership for people, planet, prosperity, peace, partnership, and personal-professional values and principles. We consider initiatives and fundamental documents that have emerged along the history and evolution of our understanding of sustainability leadership in its core values. These are correlated principles for sustainability leadership and include the principles of the 2030 Agenda behind the SDGs, the Earth Charter principles, the Global Compact's principles and its connected responsible management education principles, the business human rights principles and the diversity and inclusion principles.

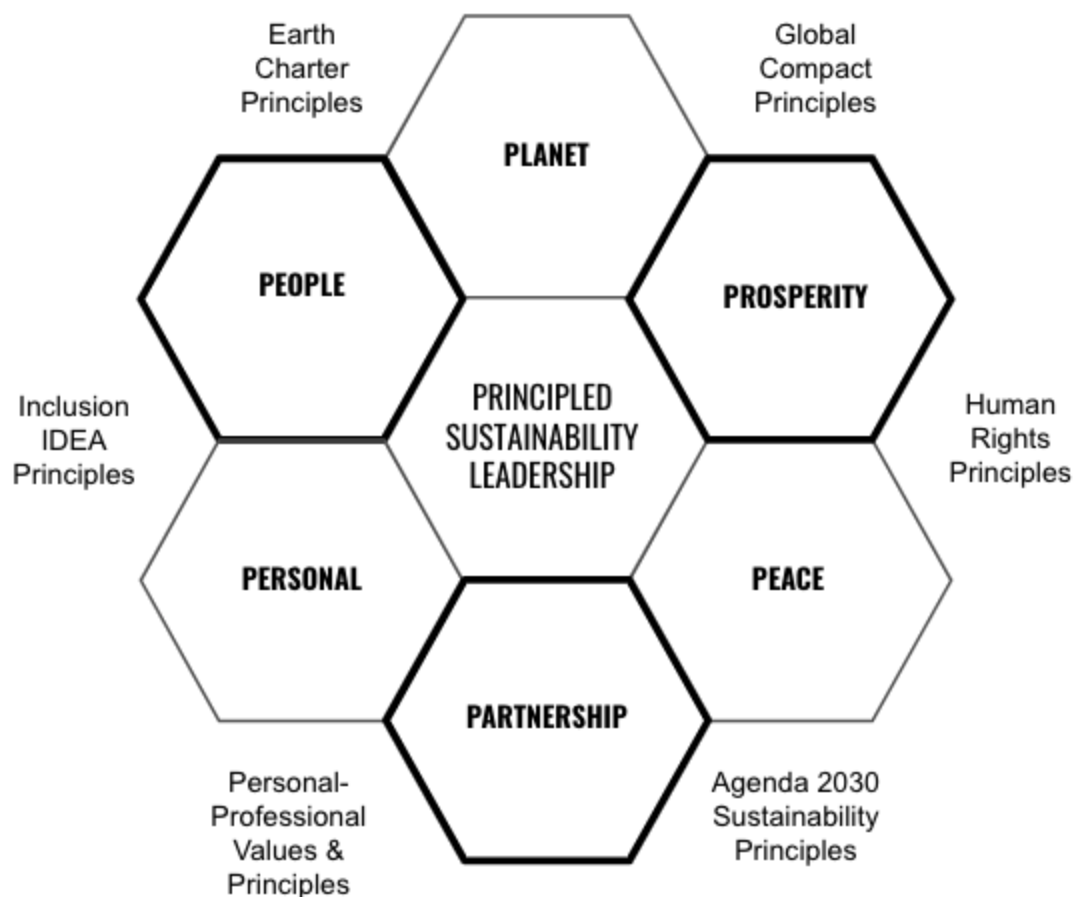


Fig 2.2: Correlated Principles for Sustainability Leadership

The 2030 Agenda Principles

The United Nations (2015) document *Transforming our world: the 2030 Agenda for Sustainable Development* is a plan of action adopted by the UN in 2015 that outlines 17 SDGs with their 169 targets and 232 indicators to guide global efforts towards sustainable development by 2030. The SDGs are viewed as a set of interconnected goals designed to end poverty, protect the planet, and ensure prosperity for all. The principles of the 2030 Agenda for Sustainable Development include:

1. **Universality:** The 2030 Agenda is a universal agenda, applying to all countries, regardless of their level of development.

2. **Integration:** The agenda is integrated and indivisible, meaning that all of the goals and targets are interrelated and must be pursued in an integrated manner.
3. **Leave no one behind:** The agenda is focused on reaching the most vulnerable and marginalized populations, to ensure that no one is left behind in the pursuit of sustainable development.
4. **Partnership:** The agenda emphasizes the need for partnerships and cooperation between governments, civil society, the private sector, and other stakeholders, to achieve the sustainable development goals.
5. **Human rights:** The agenda is grounded in human rights, including the right to development, and emphasizes the need for gender equality, empowerment of women and girls, and the protection of human rights for all.
6. **Sustainability:** The agenda emphasizes the need for sustainable development, which means meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

The principles of the 2030 Agenda emphasize the need for a collaborative and integrated approach to sustainable development, focused on leaving no one behind and ensuring a sustainable future for all. The document also groups the sustainability agenda inherent to SDG leadership implications for the 5Ps pillars of People, Planet, Prosperity, Peace, Partnership. The 5Ps are a framework used to guide sustainable development and promote a more sustainable future for all. The 5Ps have important implications for sustainability leadership, as they provide a framework for guiding organizations and leaders towards a more sustainable future. The principles and goals behind each of the 5Ps pillars are as follows:

1. **People:** This pillar focuses on the well-being of people, both now and in the future. It aims to ensure that all people have access to basic needs such as food, clean water, health care, education, and social services. The goal is to promote human development and human rights, reduce inequality and discrimination, and ensure that everyone can participate in and benefit from economic and social development. Sustainability leadership requires a focus on the well-being of people, both within and outside of the organization. Leaders must prioritize the needs and concerns of stakeholders, including employees, customers, suppliers, and the wider community, and work to create a culture of inclusion, diversity, and equity.
2. **Planet:** This pillar focuses on protecting the natural environment and preserving natural resources for future generations. The goal is to promote sustainable use of natural

resources, reduce pollution and waste, combat climate change, and protect biodiversity and ecosystems. Sustainability leadership requires a commitment to protecting the natural environment and preserving natural resources. Leaders must be proactive in promoting environmentally sustainable practices and reducing their organization's carbon footprint and other negative environmental impacts.

3. **Prosperity:** This pillar focuses on promoting economic growth and development that is inclusive, sustainable, and benefits everyone. The goal is to promote job creation, innovation, and entrepreneurship, while ensuring that economic growth is environmentally sustainable, socially inclusive, and promotes social justice. Sustainability leadership requires a focus on creating economic value that is socially and environmentally sustainable. Leaders must prioritize long-term value creation, consider the impacts of their business on society and the environment, and work to create economic growth that is inclusive and benefits all stakeholders.
4. **Peace:** This pillar focuses on promoting peaceful and inclusive societies, where everyone has access to justice and the rule of law. The goal is to promote human security, reduce conflict and violence, and to ensure that people can live in safety and security. Sustainability leadership requires a commitment to promoting peace, stability, and security in the wider society. Leaders must promote human security and reduce conflict and violence, and ensure that their organization is committed to human rights, social justice, and the rule of law.
5. **Partnership:** This pillar focuses on promoting partnerships between different stakeholders, including governments, civil society, the private sector, and international organizations. The goal is to promote collaboration and cooperation, share knowledge and resources, and build a global community committed to sustainable development. Sustainability leadership requires a commitment to building partnerships and collaborations, both within and outside of the organization. Leaders must work to build relationships with stakeholders, engage in dialogue and cooperation, and share knowledge and resources to advance sustainable development.

The 5Ps pillars provide a framework for a comprehensive and integrated approach to sustainable development, taking into account the interrelatedness of different aspects of human development and the environment. The goal is to create a sustainable future for all, where people can live in harmony with the planet and with each other. The 5Ps has significant implications for sustainability leadership as it requires adopting an integrated approach to consider sustainability practices, objectives and measurable contributions mapped on social, environmental, and economic sustainability, as well as peace and partnership performances.

The United Nations Global Compact's *Blueprint for Business Leadership: A Principles-Based Approach* (2017) provides a framework for businesses to align their strategies and operations with the SDGs. It emphasizes the critical role of business leadership in achieving the SDGs and outlines several key principles of SDG-leadership. Some of the key points from the Blueprint on SDG-leadership include leadership commitment to integrate sustainable development into their core business strategies. It also recommends businesses to take an integrated approach to sustainable development, considering social, environmental, and economic factors in their decision-making processes. It also makes a case for cross-sector collaboration, transparency and accountability through SDG reporting and encourages SDG leaders to advance innovation and technology and respect human rights, including labor rights and social and environmental justice. The principles of SDG-leadership outlined in the Blueprint align with the broader ethical principles of responsible business conduct and sustainable development and outlines three principles-based steps as integral to promotion and practices of SDG-leadership:

Step 1: Prioritize Principle: Prioritizing, involves identifying the SDGs that are most relevant to the business's operations and stakeholders, and determining which goals the business can have the most impact on. This can involve assessing the business's value chain, engaging with stakeholders, and considering the social and environmental challenges faced by the business and its industry.

Step 2: Act Principle: Acting, involves implementing strategies and initiatives to address the SDGs identified in the prioritization process. This can involve changes to business practices, such as reducing greenhouse gas emissions or promoting sustainable supply chain practices, as well as collaboration with stakeholders to drive progress towards the SDGs.

Step 3: Learn Principle: Learning, involves monitoring and evaluating the impact of the business's actions on the SDGs, and using this information to improve and refine strategies going forward. This can involve measuring and reporting on progress towards the SDGs, engaging with stakeholders for feedback, and learning from best practices and innovations.

Overall, the three-step process of prioritizing, acting, and learning provides a principles-based framework for businesses to continually improve their leadership on the SDGs and respond to changes in the business environment and social and environmental challenges. By repeating this process, businesses can stay responsive and adaptive, and help drive progress towards the achievement of the SDGs.

The Earth Charter Principles

The idea of the Earth Charter originated in 1987 by members of The Club of Rome, when the United Nations World Commission on Environment and Development called for a new charter to guide the transition to sustainable development. In 1972, the Club of Rome published the book *The Limits to Growth* (Meadows et al., 1972) which explored the consequences of exponential growth on a finite planet and helped to popularize the idea that economic growth must be balanced with environmental and social sustainability, and it continues to be a reference point for discussions on sustainable development. The 27 principles of the Earth Charter were created in response to the 1987, *Our Common Future* from the World Commission on Environment and Development (aka, Brundtland Commission), with the “new charter” with “new principles” and “new norms” as discussed 1992 Earth Summit in Rio de Janeiro.

The Earth Charter principles cover a wide range of areas, including respect and care for the community of life, ecological integrity, social and economic justice, and nonviolence and peace. These fundamental ethical principles have been elaborated to give a comprehensive framework for building a just, sustainable, and peaceful global society in the 21st century. These are the 27 principles of the Earth Charter:

I. Respect and care for the community of life

1. Respect Earth and life in all its diversity.
2. Care for the community of life with understanding, compassion, and love.
3. Build democratic societies that are just, participatory, sustainable, and peaceful.

II. Ecological integrity

4. Secure Earth's bounty and beauty for present and future generations.
5. Protect and restore the integrity of Earth's ecological systems.

III. Social and economic justice

6. Prevent harm as the best method of environmental protection and, when knowledge is limited, apply a precautionary approach.
7. Eradicate poverty as an ethical, social, and environmental imperative.
8. Ensure that economic activities and institutions at all levels promote human development in an equitable and sustainable manner.
9. Affirm gender equality and equity as prerequisites to sustainable development and ensure universal access to education, health care, and economic opportunity.

IV. Democracy, nonviolence, and peace

10. Uphold the right of all, without discrimination, to a natural and social environment supportive of human dignity, bodily health, and spiritual well-being, with special attention to the rights of indigenous peoples and minorities.

11. Strengthen democratic institutions at all levels, and provide transparency and accountability in governance, inclusive participation in decision-making, and access to justice.
12. Integrate into formal education and life-long learning the knowledge, values, and skills needed for a sustainable way of life.
13. Treat all living beings with respect and consideration.
14. Promote a culture of tolerance, nonviolence, and peace.

V. Partnerships

15. Strengthen the role of international cooperation in achieving sustainable development and address the inequities in global systems of trade and finance.
16. Enhance the participation of civil society in decision-making and governance.
17. Encourage and support the development of sustainable communities at the local level.
18. Recognize and support the critical role and value of indigenous cultures and traditional knowledge.

VI. Responsible consumption and production

19. Adopt patterns of production, consumption, and reproduction that safeguard Earth's regenerative capacities, human rights, and community well-being.
20. Advance the study of ecological sustainability and promote the open exchange and wide application of the knowledge acquired.

VII. Human rights

21. Secure the universal right to water and food.
22. Protect and restore the health of the planet's ecosystems.
23. Ensure universal access to health care that fosters reproductive health and responsible reproduction.
24. Secure the rights of all to an environment that meets human needs for dignity, livelihood, and well-being.

VIII. Cultural diversity

25. Support international and national cultural diversity and ensure that the cultural heritage of minorities and indigenous peoples is respected and maintained.
26. Promote the use of information and communications technologies that serve the common good and are accessible to all.
27. Use science and technology to enhance ecological sustainability and support a culture of peace.

The principles of the Earth Charter have significant implications for sustainability leadership. Leaders who prioritize the principles of the Earth Charter can create a vision for a just, sustainable,

and peaceful world and take action to achieve this vision. By incorporating the principles of the Earth Charter into their leadership practices, leaders can help to foster a culture of respect, care, and compassion for the community of life, which includes all living beings and ecosystems. The Earth Charter's principles can help sustainability leaders to articulate their promotion of the integrity of ecological systems, recognizing the critical role they play in sustaining life on Earth. The principles can also address social and economic inequities, including poverty, and work towards ensuring that economic activities and institutions promote humans. These principles serve as a powerful framework for creating a sustainable and ethical business model. They encourage organizations to build a culture of respect and care for all living things, minimize their environmental impact, and promote equity and social justice in all their endeavors. Additionally, they emphasize the importance of nonviolence and peace, both internally and externally. Finally, the Earth Charter Principles provide a strong ethical foundation for business leadership as they work to create a better world.

The Global Compact Principles

The United Nations Global Compact (UNGC) is a voluntary initiative which aims to encourage businesses and organizations to adopt sustainable and socially responsible policies and practices (Conaway and Laasch, 2015). These principles were developed through a global consultation process involving businesses, labor organizations, civil society, and other stakeholders. The initiative is based on ten principles that cover four key areas: human rights, labor, environment, and anti-corruption:

Key Area 1: Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Key Area 2: Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should eliminate all forms of forced and compulsory labor.

Principle 5: Businesses should effectively abolish child labor.

Principle 6: Businesses should eliminate discrimination in respect of employment and occupation.

Key Area 3: Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Key Area 4: Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The ten principles of the UNGC were officially launched by the UN Secretary-General in 2000, after a year-long consultation process that involved thousands of stakeholders from around the world. The principles were designed to provide a framework for businesses and organizations to adopt sustainable and socially responsible policies and practices, and to encourage dialogue and collaboration between businesses, civil society, and other stakeholders. Since its launch, the UNGC has become one of the world's largest corporate sustainability initiatives, with over 14,000 signatories from over 160 countries along with more than 3,000 nonbusiness participants representing civil society organizations and academia among others. For business leadership, the UNGC principles serve as a guide for creating sustainable, ethical, and responsible business practices. They help to ensure that companies are creating value for all stakeholders, while also protecting the environment and contributing to a more prosperous and equitable world.

Connected to the Global Compact principles are the responsible management education principles. In 2007 the UNGC worked with academic institutions and higher education associations for the development of the Principles of Responsible Management Education (PRME) with over 800 business schools in 98 countries (Morsing, 2021). The PRME initiative seeks to promote sustainability and responsibility in management education, and it is based on six principles, which outline the role of business schools in promoting responsible management education. The principles are as follows:

1. **Purpose:** Business schools should develop a clear sense of purpose that is consistent with sustainable development and social responsibility.
2. **Values:** Business schools should promote values of global social responsibility and ethical behavior.

3. **Method:** Business schools should use a learning and teaching approach that encourages critical thinking and creativity, and that incorporates sustainability and social responsibility issues.
4. **Research:** Business schools should engage in research that advances our understanding of sustainable development and social responsibility.
5. **Partnership:** Business schools should seek to establish partnerships with businesses, governments, civil society, and other stakeholders in order to create a more sustainable and equitable world.
6. **Dialogue:** Business schools should engage in dialogue with their stakeholders, including their students, faculty, staff, and the wider community, in order to promote sustainable development and social responsibility.

For business schools, these principles provide a framework for promoting responsible management education and ensuring that their graduates are prepared to lead organizations in a sustainable and socially responsible manner. Business schools that commit to the PRME principles are expected to integrate sustainability and social responsibility issues into their curriculum, research, and outreach activities. This can involve revising course materials, creating new programs, and promoting research and dialogue that addresses sustainability and social responsibility issues. By committing to the PRME principles, business schools can play a crucial role in preparing future business leaders to create a more sustainable and equitable world. They can also enhance their reputation and build stronger relationships with stakeholders who value sustainability and social responsibility. For academics and MBA programs, the PRME is a commitment that gives a framework for integrating sustainability, social responsibility, and ethical education into management and leadership education. Through the engagement in the PRME chapters, the Sharing Information on Progress (SIP), and the conferences and seminars, academic leaders can learn from each other's best practices for integrating sustainability into higher education. This principle-based forum for academic business leaders promotes the integration of responsible management education. The mindsets, best teaching and learning practices, and the administration leadership commitments demonstrate that principles matter in the education of future business leaders who can then navigate complex global challenges, including climate change, inequality, and poverty.

Business Human Rights Principles

The *Guiding Principles on Business and Human Rights* (UNGPs) were developed by the United Nations in 2011 to provide a framework for businesses to respect human rights in their operations (OHCHR, 2011). The UNGPs are based on three pillars and correlated principles:

1. **Protect:** The state duty to protect human rights. States have a duty to protect human rights from abuse by third parties, including businesses. This means that states should establish laws, policies, and regulations to prevent human rights abuses by businesses, and to ensure that victims of such abuses have access to effective remedies.
2. **Respect:** The corporate responsibility is to respect human rights. Businesses have a responsibility to respect human rights in their operations, and to avoid infringing on the human rights of others. This means that businesses should conduct due diligence to identify and address human rights risks in their operations, and should put in place policies, procedures, and mechanisms to prevent and mitigate human rights abuses.
3. **Remedy:** The need for effective remedies for victims of human rights abuses. Victims of human rights abuses should have access to effective remedies, including judicial and non-judicial remedies. Businesses have a responsibility to provide or contribute to effective remedies for harms that they have caused, or to which they have contributed.

The UNGPs also provide guidance on how businesses can implement these principles in practice, including through the development of human rights policies, due diligence processes, and grievance mechanisms. The UNGPs emphasize the importance of engaging with stakeholders, including affected communities, workers, and civil society organizations, and of ensuring transparency and accountability in business operations.

The UNGPs were developed by John Ruggie, who served as the United Nations Secretary-General's Special Representative for Business and Human Rights from 2005 to 2011. They were developed through an extensive and inclusive consultation process that involved a wide range of stakeholders, including businesses, civil society organizations, governments, and academics. Ruggie's work was based on the recognition that while businesses have the potential to contribute to human rights, they can also negatively impact human rights through their operations, and that there was a need for a framework to guide businesses in respecting human rights.

The UNGPs were unanimously endorsed by the United Nations Human Rights Council (UNHCR) in 2011, and they have since been widely recognized as the authoritative framework for business and human rights. The UNGPs have been integrated into a variety of initiatives and frameworks, including the United Nations Global Compact, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the SDGs.

The UNGPs have several implications for sustainability leadership, including:

1. **Corporate Responsibility:** The UNGPs emphasize the responsibility of businesses to respect human rights, including the right to a safe and healthy work environment, the right to freedom of association and collective bargaining, and the right to non-discrimination. Sustainability leaders must integrate these principles into their business operations and supply chain management.
2. **Due Diligence:** The UNGPs call for companies to conduct human rights due diligence, which involves identifying, assessing, and mitigating potential human rights risks in their operations and supply chains. Sustainability leaders must ensure that their organizations are conducting robust due diligence to prevent and mitigate human rights abuses.
3. **Stakeholder Engagement:** The UNGPs call for businesses to engage with a wide range of stakeholders, including affected communities, workers, and civil society organizations. Sustainability leaders must ensure that their organizations are engaging with stakeholders in a meaningful and transparent manner, and incorporating stakeholder feedback into their decision-making processes.
4. **Remedy:** The UNGPs call for companies to provide effective remedies for victims of human rights abuses. Sustainability leaders must ensure that their organizations have effective grievance mechanisms in place to provide remedy to those who have been harmed by their operations.

Overall, the UNGPs provide a framework for businesses to respect human rights in their operations and supply chains, and sustainability leaders must integrate these principles into their business practices to ensure that they are contributing to a sustainable future. For business leaders, the UNGPs provide an authoritative global standard for preventing and addressing the risk of adverse human rights impacts linked to their business activity. Through the UNGPs, business leaders can ensure that their business operations are compliant with human rights laws and regulations, and that they are promoting human rights throughout their business operations.

The Inclusion IDEA Principles

The principles for Inclusion, Diversity, Equity, and Accessibility (IDEA) focus on creating a work environment that is inclusive, equitable, and accessible to all employees, regardless of their background. These perspectives and values are increasingly becoming essential elements in responsible leadership practices (Marques and Dhiman, 2022). They have important implications for sustainability leadership, as sustainable leaders must strive to build a diverse and inclusive workplace that reflects the values of sustainability and social responsibility. Here are some of the key principles for IDEA and their implications for sustainability leadership:

1. **Inclusion:** Inclusion means creating a work environment where all employees feel valued, respected, and supported. Sustainable leaders should work to foster an inclusive culture by promoting open communication, creating a safe and welcoming work environment, and providing opportunities for employees to share their perspectives and ideas.
2. **Diversity:** Diversity means valuing and embracing differences in ethnicity, race, gender, age, religion, sexual orientation, and other characteristics. Sustainable leaders should work to build a diverse workforce that reflects the communities in which their organization operates, and that encourages diversity of thought, experience, and perspective.
3. **Equity:** Equity means ensuring that all employees have access to the same opportunities and resources, regardless of their background. Sustainable leaders should work to create an equitable workplace by promoting fair and equitable hiring, promotion, and pay practices, and by providing equal opportunities for growth and development.
4. **Accessibility:** Accessibility means ensuring that the work environment is accessible to all employees, including those with disabilities. Sustainable leaders should work to provide an accessible workplace by making physical accommodations as needed, providing assistive technology, and ensuring that employees with disabilities are fully included in all aspects of the workplace.

The book *Corporate Social Responsibility and Diversity Management: Theoretical Approaches and Best Practices* by Seierstad and Hansen (2018) give a series of principles for diversity and inclusion for companies who can enhance their social responsibility and sustainability performance. They show how companies can create a more diverse, inclusive, and socially responsible workplace, which in turn can lead to improved employee satisfaction, innovation, and financial performance. These principles have important implications for sustainability leadership. Here are some of the ways that these principles can inform sustainable leadership:

1. **Building a diverse and inclusive workforce:** Sustainable leaders should work to build a diverse and inclusive workforce that reflects the communities where their organization operates. This means ensuring that recruitment and retention practices are inclusive and equitable, and that employees from diverse backgrounds are provided with equal opportunities for growth and development.
2. **Promoting a culture of respect and inclusivity:** Sustainable leaders should work to create a culture of respect and inclusivity where all employees feel valued, respected, and supported. This includes fostering open communication and dialogue across differences, providing cultural competency training, and creating a safe and welcoming work environment for all.

3. **Embracing supplier diversity:** Sustainable leaders should embrace supplier diversity and seek out partnerships with diverse suppliers, including those owned by women, people of color, and members of other underrepresented groups. This can help to build a more equitable and sustainable supply chain, and can also help to promote economic development in underrepresented communities.
4. **Incorporating diversity and inclusion into decision-making:** Sustainable leaders should incorporate diversity and inclusion considerations into their decision-making processes. This means seeking out diverse perspectives, actively engaging with underrepresented stakeholders, and considering the potential social and environmental impacts of their decisions on different groups.

Overall, the principles of IDEA can inform sustainable leadership by helping leaders to build a more inclusive, equitable, and accessible workplace which reflects the values of sustainability and social responsibility. By prioritizing IDEA, sustainable leaders can create a more sustainable and responsible business culture that benefits both the organization and the broader community. The principles of diversity and inclusion can inform sustainable leadership by helping leaders to build more inclusive and equitable organizations that promote social and environmental sustainability. Companies and their leaders know that, as we will see in detail in Part 2: Sustainability Management, DEI reporting is often an integral or parallel effort along sustainability reporting. Sustainability leaders are necessarily inclusive leaders.

Therefore, sustainability leaders should welcome into their companies expert training for all employees, including managers and executives, for increased awareness and understanding of different cultures, perspectives, and experiences. This training should focus on building empathy, cultural competence, and effective communication across differences. They know that diversity is a strength to be valued in their supply chain. This means seeking out and partnering with diverse suppliers, including those owned by women, people of color, and members of other underrepresented groups. These principles can help companies create a more diverse, inclusive, and socially responsible workplace, which in turn can lead to improved employee satisfaction, innovation, and financial performance. By prioritizing diversity and inclusion, sustainable leaders can create a more sustainable and responsible business culture that benefits both the organization and the broader community. Diversity and inclusion in the workplace are key for companies who strive to become more globally relevant, interculturally competent, and internationally recognized.

Personal-Professional Values & Principles

Sustainability leaders know the importance of embedding values and principles into their leadership and organizations. The moral compass, as we explore in Chapter 5, is pivoted around

personal and professional values and principles. Values and principles play a critical role in developing sustainability leadership, as they provide a framework for ethical decision-making and behavior that is necessary to achieve sustainability goals. Some of the core personal/professional values and principles for sustainability leadership include responsibility, innovation, respect and collaboration. Others, like the CEC European Managers (2018), in their *Sustainable Leadership Guidelines* enlist personal sustainability values as skills along the other necessary competencies for social (for SDG 1-5, 10), economic (for SDG 6-9, 11), environmental (for SDG 12-15), and procedural (for SDG 16-17). They describe how sustainability leaders exhibit mindfulness, continuous learning, adaptability and flexibility, sense of responsibility and ethics, and thinking in multiple perspectives (for the inner dimension) along team building, formulating vision, building network and trust, facilitating, and understanding social settings (for the social dimension). Identifying and developing these skills are crucial in their work of promoting sustainable development and responsible business practices. Four core values are highlighted here to show how these skills and competencies are linked to principled-based sustainability leadership practices:

1. **Responsibility:** The value of responsibility is central to sustainability leadership, as it emphasizes the importance of taking action to address sustainability issues and to minimize negative impacts on society and the environment. Leaders who prioritize responsibility are committed to ensuring that their organizations are acting in a way that is accountable and transparent, and that minimizes harm to the environment and society. Examples of responsible leadership include companies that implement sustainable production methods, reduce waste, and invest in renewable energy.
2. **Innovation:** The principle of innovation is also important in sustainability leadership, as it encourages leaders to think creatively about how to achieve sustainability goals. Innovative leaders are willing to take risks, experiment with new technologies, and challenge established ways of doing things. Examples of innovative sustainability leadership include companies that use cutting-edge technology to reduce emissions, develop new products that promote sustainability, or engage in sustainable business practices.
3. **Respect:** The principle of respect emphasizes the importance of treating others with dignity and fairness, which is crucial to developing sustainable business practices. Leaders who prioritize respect are committed to promoting social justice, protecting human rights, and creating a culture of inclusivity and diversity. Examples of respectful sustainability leadership include companies that implement fair labor practices, promote gender equality, and invest in education and job training programs.
4. **Collaboration:** The principle of collaboration is also essential in sustainability leadership, as it emphasizes the importance of working together with stakeholders to achieve shared

goals. Collaborative leaders are committed to building partnerships with governments, NGOs, and other organizations to create sustainable solutions that benefit everyone. Examples of collaborative sustainability leadership include companies that engage with local communities, work with suppliers to promote sustainable sourcing, and support sustainability initiatives through philanthropy and partnerships.

Overall, values and principles play a critical role in developing sustainability leadership, as they provide a framework for ethical decision-making and behavior that is necessary to achieve sustainability goals. By prioritizing responsibility, innovation, respect, and collaboration, sustainability leaders can create a culture of sustainable business practices that benefit both the environment and society. A great example of a sustainability leader who has successfully embedded values and principles into his career, service and legacy is Mark Moody-Stuart.

Sir Mark Moody-Stuart KCMG is a British businessman and sustainability leader who has held senior leadership positions at several major corporations, including Shell, Anglo American, and HSBC. He is known for his work in promoting responsible and sustainable business practices, and has written extensively on topics such as climate change, sustainability, and corporate responsibility. Moody-Stuart has been recognized for his promotion of responsible and sustainable business practices in the companies that he led as well as influencing other leaders and companies. He served as the chairman of Anglo American from 2002 to 2009, during which time he focused on promoting sustainable development in the mining industry. He also served as the chairman of the Global Reporting Initiative (GRI), a non-profit organization that promotes sustainability reporting, from 2007 to 2011. Moody-Stuart's work in promoting sustainability and responsible business practices has earned him numerous accolades and recognition. He was named a Commander of the British Empire in 2000 for his services to the oil and gas industry, and has received several other awards and honorary degrees for his work in sustainability and corporate responsibility. Moody-Stuart is considered an example of a sustainability leader due to his extensive experience and expertise in promoting responsible and sustainable business practices, and his commitment to addressing the environmental and social challenges facing the world today.

Mark Moody-Stuart's book (2017) entitled *Responsible Leadership: Lessons from the Front Line of Sustainability and Ethics* argues that embedding values and principles is critical to creating a culture of responsible and sustainable leadership within organizations. Here are some of the main arguments he makes:

1. **Values and principles guide behavior:** According to Moody-Stuart, values and principles provide a framework for ethical decision-making and behavior. By embedding these values and principles within an organization, leaders can guide their behavior and decision-making towards responsible and sustainable outcomes.

2. **Values and principles create a shared vision:** Embedding values and principles can help create a shared vision of what responsible and sustainable leadership looks like within an organization. This shared vision can help align employees and stakeholders around a common goal and encourage them to work together towards that goal.
3. **Values and principles build trust:** Moody-Stuart argues that embedding values and principles within an organization can help build trust between the organization and its stakeholders. By demonstrating a commitment to responsible and sustainable behavior, organizations can build long-term relationships with customers, investors, and other stakeholders.
4. **Values and principles drive innovation:** Moody-Stuart suggests that embedding values and principles can also drive innovation within organizations. By setting ambitious goals and pushing employees to think creatively about how to achieve those goals, organizations can find new and innovative ways to operate in a responsible and sustainable manner.
5. **Values and principles create resilience:** Finally, Moody-Stuart argues that embedding values and principles can help organizations weather crises and setbacks. By having a clear set of values and principles to guide their decision-making, organizations can respond quickly and effectively to unexpected challenges, without sacrificing their commitment to responsible and sustainable behavior.

Moody-Stuart's leadership example and insightful biography emphasize the importance of embedding values and principles within organizations as a way to promote responsible and sustainable leadership. By creating a culture that prioritizes these values and principles, organizations can build trust, drive innovation, and create a more resilient and sustainable future.

The Limits of Principles

Principles play an essential role in guiding sustainable leadership practices, but they are not enough. They don't necessarily offer specific guidance on how to navigate the complex situations that businesses may face in the course of their operations. Principles may not account for trade-offs as sustainable leadership practices often require balancing competing considerations, such as economic, social, and environmental goals. Also, principles may not provide a clear framework for making these trade-offs. In other words, while having principles is a critical starting point for ethical business practice, it is not enough on its own. Sustainable leadership and ethical business practice requires a thoughtful, nuanced approach to decision-making that takes into account the specific context of each situation and balances competing considerations. Sustainable leaders must use principles as a starting point but must also rely on critical thinking, creativity, and empathy to

navigate the complex challenges of leading a sustainable business. Here are a few reasons why having principles alone is not enough for sustainability leadership and ethical business practice:

1. **Principles are open to interpretation:** Principles can be interpreted differently by different people, and what one person considers to be ethical may not be perceived the same way by someone else.
2. **Principles don't cover every situation:** Principles may not be detailed enough to cover every situation that a business may encounter. For example, a principle such as "do no harm" is important, but it may not provide specific guidance on how to address a complex ethical dilemma.
3. **Principles may not be specific enough:** While principles provide a general framework for ethical behavior, they may not offer specific guidance for the complex challenges that sustainable leaders face. For example, while the principle of "minimizing waste" is essential, it may not provide specific guidance on how to reduce waste in a particular supply chain.
4. **Principles can be overridden by other factors:** While principles are important, they may not be the only consideration in a decision. Businesses must balance ethical considerations with other factors such as financial considerations, legal requirements, and stakeholder interests.
5. **Principles may be ignored:** Unfortunately, some businesses may prioritize profits over ethical principles, and may make decisions that are unethical in order to achieve their financial goals.
6. **Principles may not account for evolving challenges:** Sustainable leadership practices must adapt to changing circumstances, such as emerging technologies or new regulatory frameworks. Principles may not be sufficiently dynamic to accommodate these changes.
7. **Principles may not account for diverse stakeholder perspectives:** Sustainable leadership requires considering the needs and interests of multiple stakeholders, including employees, customers, investors, and the broader community. However, principles may not account for the diversity of perspectives and interests that exist among stakeholders.
8. **Principles may not account for unintended consequences:** Sustainable leadership practices must consider the potential unintended consequences of their actions. However, principles may not provide adequate guidance for anticipating and mitigating these consequences.

Values, like principles, are also a good starting point and a term of reference in decision making processes, but alone are insufficient. They too can be interpreted differently by different people. While values such as integrity, respect, and accountability are essential to sustainable leadership, they may not offer clear guidance on how to address specific sustainability challenges. Values, like principles, may inspire and motivate, but they may not translate into tangible action without a clear plan and strategy.

Sustainable leadership requires setting concrete goals and creating a roadmap for achieving them. Values, like principles, must also align with broader business goals and objectives. Sustainable leaders must balance sustainability considerations with other business priorities, such as profitability and growth. In addition, values, especially in reference to inner qualities of leaders, may not address systemic issues such as inequality, social justice, and environmental degradation. While values such as fairness and social responsibility are essential, they may not offer clear guidance on how to address complex systemic challenges. Values may be the deeper elements of culture, but they may not reflect diverse perspectives.

Sustainable leadership requires engaging with diverse perspectives and stakeholders. Values, however, may reflect the perspectives of a particular group or culture, and may not account for the diversity of views and experiences that exist in the broader community.

In conclusion, values and principles are essential foundations for sustainable leadership, but they are not sufficient on their own to ensure good performance and ethical practices. Sustainable leaders must use values as a starting point and principles as references but must also rely on concrete action, strategic planning, and engagement with diverse perspectives to achieve sustainability goals. They must also engage in discernments for their ethical decision-making processes.

Key Takeaways

1. Values and principles play a foundational role in sustainability leadership and practices, as they guide decision-making, actions, and behaviors towards a sustainable future.
2. Sustainability is not only about mitigating negative impacts but also about creating value for all stakeholders, including the environment, society, and the economy.
3. Core principles and values in sustainability practices include intergenerational equity, ecological integrity, social justice, and economic viability.

4. The 2030 Agenda, Earth Charter, Global Compact, Business and Human Rights, and Inclusion IDEA principles provide frameworks for sustainability leadership and practices, emphasizing the importance of human rights, corporate responsibility, and stakeholder engagement.
5. Personal and professional values and principles are also important for sustainability leadership, as they influence individual behaviors, attitudes, and perspectives towards sustainability.
6. However, the limits of principles must also be acknowledged, as they can be interpreted and implemented differently by different individuals and organizations, and may not always lead to the intended outcomes.

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